

AMENDED IN ASSEMBLY OCTOBER 7, 2010

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SENATE BILL

No. 856

Introduced by Committee on Budget and Fiscal Review

January 11, 2010

An act to amend Sections 159.5, 160, 23399, and 23954.5 of, and to add Sections 154.2 and 210 to, the Business and Professions Code, to amend Section 337.5 of, and to add Section 348.5 to, the Code of Civil Procedure, to amend Section 94949 of, and to add and repeal Section 94874.3 of, the Education Code, to amend Sections 927, 927.2, 927.3, 927.5, 927.6, 927.7, 927.9, 7076, 7097.1, 7114.2, 7591, 7592, 11544, 16429.1, 17556, and 17557 of, to add Sections 927.13, 7072.3, 11546.4, 17570, *and* 17570.1, ~~54963.1, 54963.2, 54963.3, 54963.4, 54963.5, and 54963.6~~ to, ~~to repeal Sections 926.16, 926.19, 54954.2, 54954.5, 54957.1, and 54957.7 of, and to to, to repeal Sections 926.16 and 926.19 of, and to~~ repeal Chapter 2 (commencing with Section 13996) of Part 4.7 of Division 3 of Title 2 of, the Government Code, to amend Section 50199.9 of the Health and Safety Code, to amend Sections 62.9, 1771.3, 1771.5, 1771.7, 1771.75, 1771.8, and 1777.5 of the Labor Code, to add Section 11105.8 to the Penal Code, to amend Section 5164 of the Public Resources Code, to amend Sections 11006 and 19558 of the Revenue and Taxation Code, to amend Sections 1088, 1112.5, 1113.1, 1275, 13021, and 13050 of, and to add Article 9 (commencing with Section 1900) to Chapter 7 of Part 1 of Division 1 of, the Unemployment Insurance Code, to amend Section 1673.2 of the Vehicle Code, and to amend and supplement the Budget Act of 2009 (Chapter 1 of the 2009–10 Third Extraordinary Session) by amending Item 0820-001-3086 of Section 2.00 of that act, relating to state government, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 856, as amended, Committee on Budget and Fiscal Review. State government.

(1) Existing law provides for the regulation of various professions and vocations by regulatory boards within the Department of Consumer Affairs. Existing law creates in the department a Division of Investigation and authorizes the Director of Consumer Affairs to employ investigators, inspectors, and deputies as are necessary to investigate and prosecute all violations of any law, the enforcement of which is charged to the department or to any board in the department. Inspectors used by the boards are not required to be employees of the Division of Investigation, but may be employees of, or under contract to, the boards. Investigators of the Division of Investigation and of the Medical Board of California and the Dental Board of California have the authority of peace officers and are in the division and appointed by the director.

This bill would authorize specified healing arts boards to employ individuals to serve as experts and would authorize those boards and the Division of Investigation to employ individuals who are not peace officers to provide investigative services. The bill would also provide that investigators of the Medical Board of California and the Dental Board of California who have the authority of peace officers are not required to be in the division.

(2) According to the strategic plan of the Department of Consumer Affairs, the BreZE system is an integrated, enterprisewide enforcement and licensing system. Under existing law, the office of the State Chief Information Officer is responsible for, among other things, the approval and oversight of specified information technology projects.

This bill would authorize the department to enter into a contract with a vendor for the BreZE system no sooner than 30 days after written notification to certain committees of the Legislature. The bill would require the amount of contract funds for the system to be consistent with costs approved by the office of the State Chief Information Officer, based on information provided by the department in a specified manner. The bill would provide that this cost provision is applicable to all Budget Act items for the department with an appropriation for the BreZE system. If the department enters into a contract for the system, the bill would also require the department, by December 1, 2014, to submit to the Legislature and specified committees a report analyzing the workload

of certain licensing personnel employed by boards participating in the BreEZe system.

(3) The Alcoholic Beverage Control Act authorizes the issuance of an event permit that allows specified licenses to sell beer, wine, and distilled spirits and requires an annual fee of \$100 for an event permit and a fee of not more than \$10 for each event authorization.

This bill would increase the fee for each event authorization to not more than \$25.

(4) Under existing law, the Alcoholic Beverage Control Act establishes various types of licenses and various annual fees for different categories of licensees. Existing law establishing a fee for an original on-sale general license or an original off-sale general license as \$12,000.

This bill would increase that fee to \$13,800 and would permit adjustment of the fee, as specified.

(5) Existing law provides that the period for commencement of action upon any bonds or coupons issued by the State of California is 10 years.

This bill would delete that provision and instead provide that the period for commencement of an action upon any bonds or coupons issued by the State of California shall have no limitation.

(6) Existing law establishes the California Private Postsecondary Education Act of 2009, which, among other things, provides for student protections and regulatory oversight of private postsecondary schools in the state. Existing law establishes the Bureau for Private Postsecondary Education to regulate private postsecondary institutions through the powers granted, and the duties imposed, by the act.

This bill would prohibit the bureau, for the period July 1, 2010, to July 1, 2011, inclusive, from enforcing the act against institutions that offer flight instruction or institutions that offer Federal Aviation Administration certified educational programs in aircraft maintenance. The bill would also require those institutions to notify the bureau if they operate during that period.

(7) Existing law also requires the Bureau for Private Postsecondary Education (bureau) to contract with the Bureau of State Audits to conduct a performance audit to evaluate the effectiveness and efficiency of the bureau's operation, on or before August 1, 2013, consistent with the requirements of the act. The act requires the Bureau of State Audits to report the results of the performance audit to the Legislature and the Governor.

This bill would additionally require the performance audit to include an evaluation of whether the bureau's staffing level and expertise are sufficient to fulfill their statutory responsibilities.

(8) The California Prompt Payment Act provides that a state agency that fails to make a payment for goods and services to certain entities pursuant to a contract is subject to an interest penalty fee, according to specified criteria. Existing law provides that in order to avoid late payment penalties, state agencies shall pay promptly submitted, undisputed invoices within 45 days, and specifies procedures and exclusions relating to that requirement. Existing law provides that penalties for late payments to certain small and nonprofit businesses accrue at 0.25% of the amount due, per calendar day.

Existing law provides that, subject to specified exceptions, a state agency that fails to pay a person an undisputed payment or refund due to that person within 31 days after the agency provides notice to that person that the payment is due is liable for interest on the undisputed amount.

This bill would revise and recast these provisions by requiring state agencies to pay refunds or other undisputed payments due to individuals within 45 days after receipt of a notice of refund or undisputed payment due, and would specify procedures and exclusions related to that requirement. The bill would also provide that penalties for late payments to certain small and nonprofit businesses accrue at a rate of 10% above the United States Prime Rate on June 30 of the prior fiscal year.

This bill would also delete obsolete provisions, cross-references, and references to the Year 2000 Problem.

(9) Existing law prescribes the duties and responsibilities of the Department of Housing and Community Development in connection with the establishment of various economic development areas, including enterprise zones, manufacturing enhancement areas, targeted tax areas, and local agency military base recovery areas. Existing law authorizes the department to assess each of these economic development areas a fee of not more than \$10 for each application it accepts for the issuance of a specified tax certificate issued by a local government.

This bill would revise these provisions to require the department to collect a fee of \$15 for each application it accepts for the issuance of the specified tax certificate. The bill would require the fees to be deposited in the Enterprise Zone Fund, which the bill would create. These funds would be available to the department, upon appropriation

by the Legislature, for the costs of administering the programs relating to each economic development area.

(10) Existing law appropriated \$15,000,000 to the Trade and Commerce Agency for a loan for allocation over 3 years in 3 equal amounts to that nonprofit organization currently named the San Diego National Sports Training Foundation for purposes of developing and constructing a California Olympic Training Center. Existing law provides that these loan allocations be repaid in full no later than 20 years from the date of receipt, as specified. Existing law creates the California Olympic Training Account in the General Fund for the receipt of moneys from fees paid for commemorative olympic license plates, which are to be used for repayment of the loan described above.

This bill would cancel any of the outstanding balance and any accrued interest on the loan for the California Olympic Training Center described above. The bill would require the Controller to annually transfer the moneys from fees paid for commemorative olympic license plates to the General Fund.

(11) Existing law creates the Technology Services Revolving Fund, administered by the State Chief Information Officer, for the purpose of receiving revenue from the sale of technology or technology services, and for payment, upon appropriation by the Legislature, of specified costs. The Governor's Reorganization Plan No. 1 of 2009 renamed and transferred the Department of Technology Services in the State and Consumer Services Agency to the Office of the Department of Technology Services within the office of the State Chief Information Officer, renamed the Department of Technology Services Revolving Fund the Technology Services Revolving Fund, and made conforming changes. The plan also transferred duties relating to the state's procurement of information technology from the Department of Finance, the Department of General Services, and the Department of Information Technology to the office of the State Chief Information Officer.

This bill would make certain statutory codification changes made necessary by the Governor's Reorganization Plan No. 1 of 2009 in connection with the Technology Services Revolving Fund. This bill would also authorize the fund to receive revenues for other services rendered by the office of the State Chief Information Officer and to pay for other specified costs. The bill would authorize the office of the State Chief Information Officer to collect payments from public agencies for services requested from, rather than contracted for, the office of the State Chief Information Officer, as specified. The bill would also revise

the conditions used to determine whether a balance remains in the Technology Services Revolving Fund at the end of a fiscal year to limit the amount that is used to determine a reduction billing rates. The bill would provide that these provisions apply to all revenue earned on or after July 1, 2010.

(12) Existing law imposes a duty on the office of the State Chief Information Officer to be responsible for the approval and oversight of information technology projects, including, but not limited to, consulting with agencies during initial project planning to ensure that identified needs and benefits are consistent with statewide strategies, policies, and procedures.

This bill would, notwithstanding any other law, require the office to review, approve, and oversee any service contract proposed to be entered into by an agency that contains an information technology component, as specified.

(13) Existing law establishes the Manufacturing Technology Program within the Business, Transportation and Housing Agency, requires the agency to adopt regulations to implement the program, and requires the program to award grants, as specified, and to provide technical assistance to California nonprofit organizations and public agencies for the performance of specified functions relating to the improvement of the competitiveness and viability of specified manufacturing industries.

This bill would repeal these laws thereby eliminating the Manufacturing Technology Program.

(14) Existing law establishes the Local Agency Investment Fund, in trust in the custody of the Treasurer, to which specified local governmental individuals and entities, with the required consent, may remit money in its treasury that is not required for immediate needs for the purpose of investment. Existing law requires, immediately at the conclusion of each calendar quarter, that all interest earned and other increment derived from investments be distributed by the Controller to the contributing governmental units or trustees or fiscal agents, nonprofit corporations, and quasi-governmental agencies in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts remained therein. Existing law requires, however, that an amount equal to the reasonable costs incurred in carrying out duties related to the administration of the fund, not to exceed $\frac{1}{2}$ of 1% of the earnings of the fund, be deducted from the earnings prior to distribution, and that this amount be credited as

reimbursements to the state agencies having incurred costs in carrying out duties related to the administration of the fund.

This bill would increase the amount authorized to be deducted from earnings prior to distribution to be an amount equal to the reasonable costs incurred in carrying out these provisions, not to exceed a maximum of 5% of the earnings of the fund and not to exceed the amount appropriated in the annual Budget Act for this function.

(15) Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, including school districts, the state is required to provide a subvention of funds to reimburse the local government, with specified exceptions. Existing law establishes a test claim procedure for local governmental agencies to file claims for reimbursement of these costs with the Commission on State Mandates.

This bill would authorize specified entities to request that the commission adopt a new test claim decision to supersede a previously adopted test claim. This bill would authorize the commission to adopt a new test claim decision only upon a showing that the state's liability for the previously adopted test claim decision has been modified based upon a subsequent change in law, as defined.

This bill would require that the commission adopt procedures for receiving these requests and for providing notice and a hearing on those requests, as prescribed, including a requirement that the submitted request be signed under penalty of perjury. Because this bill would expand the scope of an existing crime, this bill would impose a state-mandated local program.

(16) Existing law prohibits the commission from determining that certain costs in a test claim are mandated by the state if the costs meet specified conditions, including, among others, where the challenged costs result from a statute or executive order that imposes requirements mandated by federal law or regulation. Existing law provides that this prohibition applies regardless of whether the federal mandate was enacted before or after the statute or executive order.

This bill would provide that the exceptions for the other specified conditions likewise remain applicable regardless of whether the conditions occurred before or after the enactment of the statute or the adoption of the executive order that is the subject of the test claim.

(17) Existing law requires that the commission adopt parameters and guidelines for the reimbursement of approved test claims. Existing law authorizes a local agency, school district, or the state to file a written

request with the commission to amend, modify, or supplement the parameters and guidelines, as specified.

This bill would authorize these entities to file a written request with the commission to amend the parameters and guidelines, and prescribe the types of changes for which the request may be filed, including, among others, deleting a reimbursable activity that has been repealed by statute or executive order.

~~(18) The California Constitution provides that the people have the right of access to information concerning the conduct of the people's business and requires that the meetings of public bodies and writings of public officials and agencies be open to public scrutiny.~~

~~The Ralph M. Brown Act generally requires that the meetings of legislative bodies of local agencies be conducted openly. The act requires that at least 72 hours before a regular meeting, the legislative body post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting. The act also imposes certain requirements with respect to the description and disclosure of closed session items.~~

~~This bill would recast the above-described actions as open meeting best practices that may, at the discretion of the legislative body of a local agency, be utilized to implement the constitutional provisions regarding access to information. The bill would also make legislative findings and declarations relating to advisable policy guidelines for implementation of open meeting practices. The bill would provide that, in order to meet the above-stated constitutional requirements, each legislative body shall annually determine whether it will adopt its own policies to enable scrutiny of its meetings under the act or follow the best practices contained in statute.~~

~~(19)~~

~~(18) Existing law requires the California Tax Credit Allocation Committee to allocate specified tax credits for purposes of low-income housing projects. Existing law requires the committee to establish and charge fees it determines are reasonably sufficient to cover the costs in carrying out the responsibilities related to the low-income housing credit program and to deposit these fees in the Tax Credit Allocation Fee Account and the Occupancy Compliance Monitoring Account for specified purposes.~~

~~Existing law also authorizes the Governor, in certain circumstances, to direct the Controller to make transfers of money from any special funds and other accounts to the General Cash Revolving Fund.~~

This bill would authorize the Controller to use the fees deposited in the Tax Credit Allocation Fee Account and the Occupancy Compliance Monitoring Account for daily cash flow loans to the General Fund or the General Cash Revolving Fund in accordance with specified provisions of existing law.

~~(20)~~

(19) Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an injured employee for injuries sustained in the course of his or her employment. Existing law requires that the Director of Industrial Relations levy and collect assessments from employers in an amount determined by the director to be sufficient to fund specified workers' compensation programs implemented in the state. In that connection, existing law requires the director to include in the total assessment amount the Department of Industrial Relations' costs for administering the assessment, including the collections process and the cost of reimbursing the Franchise Tax Board for its cost of collection activities.

This bill would also require the director to include in the total assessment amount the department's costs for administering the assessment, including the collections process and the cost of reimbursing another agency or department other than the Franchise Tax Board.

~~(21)~~

(20) Existing law authorizes the Director of Industrial Relations, with the approval of the Director of Finance, to determine and assess a fee on any awarding body using funds derived from any bond issued by the state to fund public works projects, and requires the fees collected to be deposited in the State Public Works Enforcement Fund, a continuously appropriated fund.

This bill would require the fee to be payable by the board, commission, department, agency, or official responsible for the allocation of bond proceeds from the bond funds awarded to each project, at the time the funds are released to the project or any other time agreed upon by the department and the allocating entity.

~~(22)~~

(21) Existing law requires an awarding body that chooses to use funds from the Kindergarten-University Public Education Facilities Bond Act of 2002 or the Kindergarten-University Public Education Facilities Bond Act of 2004 for a public works project to pay a fee to the Department of Industrial Relations sufficient to support the

department's costs in ensuring compliance with and enforcing prevailing wage requirements on the project and labor compliance, and requires the fees collected to be deposited in the State Public Works Enforcement Fund. Existing law requires the department to notify the State Allocation Board of awarding bodies that have paid the fee.

This bill would instead require the State Allocation Board to notify the department of awarding bodies that are awarded funds subject to the fee. This bill would also require the State Allocation Board to pay the fee to the department at the time bond funds are released to the awarding body.

~~(23)~~

(22) Existing law authorizes the awarding body for a public works project to not require the payment of the general prevailing rate of per diem wages on public works projects of specified sizes and types of work if the awarding body elects to meet certain requirements with regard to any public works project under its authority, including payment of a fee to the Department of Industrial Relations for the enforcement of prevailing wage obligations, in lieu of authorizing the awarding body to initiate and enforce a labor compliance program, for contracts awarded after the effective date of regulations and fees adopted by the department, as specified.

This bill would make technical, conforming changes to those provisions.

~~(24)~~

(23) Existing law requires that every apprentice employed upon public works, as defined, be paid the prevailing rate of per diem wages for apprentices in the trade to which he or she is registered, and requires that the apprentice be employed only at the work of the craft or trade to which he or she is registered. Existing law requires a contractor to whom a contract is awarded, who, in performing any of the work under the contract, employs journeymen or apprentices in any apprenticeable craft or trade, to contribute to the California Apprenticeship Council the same amount that the Director of Industrial Relations determines is the prevailing amount of apprenticeship training contributions in the area of the public works site. Existing law requires that all training contributions received pursuant to those provisions be deposited in the Apprenticeship Training Contribution Fund, and continuously appropriates that fund for purposes related to apprenticeship training and to pay the expenses of the Division of Apprenticeship Standards.

This bill would eliminate this continuous appropriation and instead specify that, upon appropriation by the Legislature, all money in the fund be used for apprenticeship training and to pay the expenses of the Division of Apprenticeship Standards.

~~(25)~~

(24) Existing law requires the Department of Justice to maintain a master record of information pertaining to the identification and criminal history of persons, as specified. Existing law authorizes the department to provide that information to various entities for law enforcement and other purposes, as specified, including providing that information through the California Law Enforcement Telecommunications System.

This bill would authorize nonprofit organizations that are funded by certain federal grants or contracts for identifying, targeting, or removing criminal and terrorist conspiracies and activities to access local, state, or federal criminal justice system information that is available to law enforcement agencies, including access to the California Law Enforcement Telecommunications System, provided that the nonprofit organization meet state and federal requirements for access to that information or system.

~~(26)~~

(25) Existing law prohibits a county, city, city and county, or special district from hiring a person for employment or a volunteer to perform services, at a county, city, city and county, or special district operated park, playground, recreational center, or beach used for recreation purposes, in a position having supervisory or disciplinary authority over a minor, if that person has been convicted of specified offenses. Existing law requires a county, city, city and county, or special district to require each of those prospective employees and volunteers to complete an application that inquires as to whether that person has been convicted of one of those offenses, and imposes a screening requirement on the county, city, city and county, or special district with respect to those prospective employees and volunteers.

This bill would authorize a county, city, city and county, or special district to charge those prospective employees and volunteers a fee to cover all of the county, city, city and county, or special district's costs attributable to those requirements.

~~(27)~~

(26) The Vehicle License Fee (VLF) Law establishes, in lieu of any ad valorem property tax upon vehicles, an annual license fee for any vehicle subject to registration in this state in the amount of 2% of the

market value of that vehicle, as specified. Existing law requires the Controller, in consultation with the Department of Motor Vehicles and the Department of Finance, to calculate certain allocation amounts with respect to the vehicle license fees paid by commercial vehicle operators, but to transfer moneys in those amounts from the General Fund.

This bill would eliminate the requirement that the Controller transfer one of the allocation amounts from the General Fund, as provided.

~~(28)~~

(27) Existing law prohibits the Franchise Tax Board and specified individuals who have access to certain documents filed with the board from disclosing information set forth in the documents, except as provided. Existing law authorizes the board to provide the Public Employees' Retirement System with identification and location information from income tax returns or other records solely for the purposes of disbursing unclaimed benefits and distributing member statements on an annual basis. Under existing law, unauthorized disclosure is a misdemeanor. Existing federal law establishes the Early Retiree Reinsurance Program, which provides federal reimbursement to participating employment-based group health benefits plans, as provided.

This bill would, until June 30, 2016, authorize the board to provide the Public Employees' Retirement System with identification and location information from income tax returns or other records for the purpose of filing required data pursuant to the federal Early Retiree Reinsurance Program and related regulations and departmental directives. By expanding the definition of a crime, the bill would impose a state-mandated local program.

~~(29)~~

(28) Existing law requires each employer to file with the Director of the Employment Development Department, within a specified time period for the payment of employer contributions, a report of contributions and a report of wages paid to his or her workers in the form and containing any information as the director prescribes. Existing law also requires every employer who pays wages to an employee for services performed in this state to withhold from those wages, except as provided, specified income taxes, to file specified reports with the director, and to pay the withheld taxes.

This bill would, instead, require each employer, beginning with the first calendar quarter of 2011, to file with the director a quarterly return, including certain information regarding the total amount of wages,

employer contributions, worker contributions required to be withheld by the employer, taxes withheld, and any other information prescribed by the director, as specified.

Existing law also requires each employer, in addition to the aforementioned reports, to file with the director an annual reconciliation return showing specified information pertaining to amounts required to be withheld for employer contributions, as determined by wages and other specified criteria, and taxes withheld as prescribed.

This bill also would eliminate the requirement that an employer file an annual reconciliation form with the director beginning in the 2012 calendar year, and would make related changes.

~~(30)~~

(29) Existing law provides for unemployment compensation benefits for eligible individuals in the state who are unemployed through no fault of their own. Existing law, for new claims filed on or after a specified date, but no later than April 3, 2011, for which a valid claim or benefit year cannot be established under the currently defined base periods, establish alternative base periods, as provided. Existing law also requires a claimant to submit specified information regarding wages to the Employment Development Department via an affidavit, under specified conditions, and requires the department to implement the technical changes necessary to establish claims under the alternative base period, as specified, as soon as possible, but no later than April 3, 2011.

This bill would extend to September 3, 2011, the time period within which the department is required to implement those changes related to the establishment of unemployment compensation benefit claims under the alternative base period program.

Existing law requires the department, until April 3, 2013, to report to the Joint Legislative Budget Committee, no less than quarterly, on the progress and effectiveness of implementation of the alternative base period program, as specified.

This bill would extend to September 3, 2013, the period during which those reports are required to be provided to the Joint Legislative Budget Committee.

This bill would authorize the Department of Industrial Relations to enter into an agreement that transfers all or part of the responsibility from the Department of Industrial Relations, or any office or division within the department, to the Employment Development Department for the collection of items including, but not limited to, delinquent fees,

wages, penalties, judgments, assessments, costs, citations, debts, and any interest thereon, arising out of the enforcement of any law within the jurisdiction of the department, in accordance with specified requirements.

~~(31)~~

(30) Existing law creates in the State Treasury the Indian Gaming Special Distribution Fund for the receipt and deposit of moneys received by the state from certain Indian tribes pursuant to the terms of gaming compacts entered into with the state. Existing law authorizes moneys in that fund to be used for specified purposes, including for grants for the support of state and local government agencies impacted by tribal government gaming.

Existing law, until January 1, 2021, creates a County Tribal Casino Account in the treasury of each county that contains a tribal casino. Existing law requires the Controller to divide the County Tribal Casino Account for each county that has gaming devices that are subject to an obligation to make contributions to the Indian Gaming Special Distribution Fund into a separate account, known as an Individual Tribal Casino Account, for each tribe that operates a casino within the county. Each Individual Tribal Casino Account is required to be funded in proportion to the amount that each individual tribe paid in the prior fiscal year to the Indian Gaming Special Distribution Fund, and used for grants to local agencies impacted by tribal casinos, as specified.

This bill would appropriate \$30,000,000 from the Indian Gaming Special Distribution Fund to restore funding deleted from the Budget Act of 2007 for the purpose of providing grants to local government agencies impacted by tribal government gaming under the provisions described above.

~~(32)~~

(31) The Budget Act of 2009 (Chapter 1 of the 2009–10 3rd Extraordinary Session) and revisions to the Budget Act of 2009 (Chapter 1 of the 2009–10 4th Extraordinary Session) made appropriations for the support of state government during the 2009–10 fiscal year.

This bill would make an additional appropriation of moneys from the DNA Identification Fund to the Department of Justice for its support.

~~(33)~~

(32) Existing law gives the Citizens Redistricting Commission the responsibility for redrawing district boundaries for state Senate, Assembly, and Board of Equalization districts after each national decennial census. Existing law further directs the State Auditor to

oversee the selection of members of the commission, and directs the Secretary of State to assist the commission in carrying out its redistricting responsibilities. Existing law requires the Legislature to include in the Budget Act, in each year ending in 9, an appropriation to meet the expenses of the commission, the State Auditor, and the Secretary of State in implementing the redistricting process. The appropriation is required to be a minimum of \$3,000,000 and is required to be available for a 3-year period. The Legislature is permitted to make additional appropriations in any year in which it determines that the commission requires additional funding. The Budget Act of 2009 appropriated \$3,000,000 for allocation by the Director of Finance among the Citizens Redistricting Commission, the Secretary of State, and the Bureau of State Audits to meet the expenses of those entities in implementing the redistricting process in connection with the 2010 national census.

This bill would provide that funds appropriated in the Budget Act of 2009 for expenses of the commission, the Secretary of State, and the Bureau of State Audits in connection with implementing the redistricting process shall be available until June 30, 2012, and would further provide that funds allocated pursuant to the Budget Act of 2010 for those purposes shall be available until June 30, 2013. The bill would prohibit those funds from being allocated by the Director of Finance until the State Auditor has selected the first 8 members of the commission and the Department of Finance has submitted to the Joint Legislative Budget Committee a 30-days' notice of intent to allocate those funds. The bill would require, in order for the Bureau of State Audits to receive an allocation of funds, that the bureau submit a request with a detailed cost estimate to the Chairperson of the Joint Legislative Budget Committee and the Director of Finance, and that the chairperson of the joint committee provide a written notification to the director that the requested allocation, or a lesser amount, is needed to carry out expenses of the bureau as set forth in the detailed cost estimate.

(34)

(33) Existing law creates the California Infrastructure and Economic Development Bank for the purpose of, among other things, providing financial assistance for public development facilities located in California. Existing law establishes the California Infrastructure Guarantee Trust Fund within which there is a guarantee reserve account to fund secure commitments under contracts to guarantee all or part of the bonds in the bank. Existing law permits the Legislature to establish

for the guarantee reserve account a reserve account requirement. Existing law requires the bank to take all reasonable steps to maintain the reserve account requirement, and if the bank determines that the amount in the reserve account is below the reserve account requirement, the executive director of the bank is to certify to various parties in the Legislature the sum required to restore the reserve fund to the requirement, and upon making the certification, request an appropriation. Existing law provides that the obligation of the bank and the state to pay any guarantee is a limited obligation of the bank payable solely from amounts deposited in the guarantee trust fund that are made available under the respective contracts of guarantee, and prohibits the guarantee of loans or bonds from directly, indirectly, or contingently obligating the state to levy or to pledge any form of taxation or to make any appropriation for their payment. In 2003, the California Infrastructure and Economic Development Bank and the Imperial Irrigation District entered into a preliminary loan guarantee agreement.

This bill would require that funds in the California Infrastructure Guarantee Trust Fund, as of January 1, 2010, held for the benefit of the Imperial Irrigation District, be deposited in a guarantee reserve account in the fund, which the bill would establish, and would provide that this amount is the reserve account requirement, as specified, for the purpose of meeting the obligations of the Imperial Irrigation District up to \$150,000,000 in connection with certain water agreements. The bill would require that the California Infrastructure and Economic Development Bank guarantee certain bonds relating to the Imperial Irrigation District projects, and that the reserve account be paid for the benefit of bondholders in the event of a shortfall, as specified. The bill would specify the characteristics of these bonds, and would establish the limits of the liability of the Imperial Irrigation District, the California Infrastructure and Economic Development Bank, and the state in connection to them.

~~(35)~~

(34) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~(36)~~

(35) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 154.2 is added to the Business and
2 Professions Code, to read:
3 154.2. (a) The healing arts boards within Division 2
4 (commencing with Section 500) may employ individuals, other
5 than peace officers, to perform investigative services.
6 (b) The healing arts boards within Division 2 (commencing with
7 Section 500) may employ individuals to serve as experts.
8 SEC. 2. Section 159.5 of the Business and Professions Code
9 is amended to read:
10 159.5. There is in the department the Division of Investigation.
11 The division is in the charge of a person with the title of chief of
12 the division.
13 Except as provided in Section 160, investigators who have the
14 authority of peace officers, as specified in subdivision (a) of
15 Section 160 and in subdivision (a) of Section 830.3 of the Penal
16 Code, shall be in the division and shall be appointed by the director.
17 SEC. 3. Section 160 of the Business and Professions Code is
18 amended to read:
19 160. (a) The Chief and all investigators of the Division of
20 Investigation of the department and all investigators of the Medical
21 Board of California and the Dental Board of California have the
22 authority of peace officers while engaged in exercising the powers
23 granted or performing the duties imposed upon them or the division
24 in investigating the laws administered by the various boards
25 comprising the department or commencing directly or indirectly
26 any criminal prosecution arising from any investigation conducted
27 under these laws. All persons herein referred to shall be deemed
28 to be acting within the scope of employment with respect to all
29 acts and matters set forth in this section.
30 (b) The Division of Investigation of the department, the Medical
31 Board of California, and the Dental Board of California may
32 employ individuals, who are not peace officers, to provide
33 investigative services.
34 SEC. 4. Section 210 is added to the Business and Professions
35 Code, to read:

210. (a) (1) The department may enter into a contract with a vendor for the BreEZe system, the integrated, enterprisewide enforcement case management and licensing system described in the department's strategic plan, no sooner than 30 days after notification in writing to the chairpersons of the Appropriations Committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee.

(2) The amount of BreEZe system vendor contract funds, authorized pursuant to this section, shall be consistent with the project costs approved by the office of the State Chief Information Officer based on its review and approval of the most recent BreEZe Special Project Report to be submitted by the department prior to contract award at the conclusion of procurement activities.

(3) Paragraph (2) shall apply to all Budget Act items for the department that have an appropriation for the BreEZe system.

(b) (1) If the department enters into a contract with a vendor for the BreEZe system pursuant to subdivision (a), the department shall, by December 31, 2014, submit to the Legislature, the Senate Committee on Business, Professions and Economic Development, the Assembly Committee on Business, Professions and Consumer Protection, and the budget committees of each house, a report analyzing the workload of licensing personnel employed by boards within the department participating in the BreEZe system.

(2) A report to the Legislature pursuant to this subdivision shall be submitted in compliance with Section 9795 of the Government Code.

(3) This subdivision shall become inoperative on December 1, 2018, pursuant to Section 10231.5 of the Government Code.

SEC. 5. Section 23399 of the Business and Professions Code is amended to read:

23399. (a) An on-sale general license authorizes the sale of beer, wine, and distilled spirits for consumption on the premises where sold. Any licensee under an on-sale general license, an on-sale beer and wine license, a club license, or a veterans' club license may apply to the department for a caterer's permit. A caterer's permit under an on-sale general license shall authorize the sale of beer, wine, and distilled spirits for consumption at conventions, sporting events, trade exhibits, picnics, social gatherings, or similar events held any place in the state approved by the department. A caterer's permit under an on-sale beer and

1 wine license shall authorize the sale of beer and wine for
2 consumption at conventions, sporting events, trade exhibits,
3 picnics, social gatherings, or similar events held any place in the
4 state approved by the department. A caterer's permit under a club
5 license or a veterans' club license shall authorize sales at these
6 events only upon the licensed club premises.

7 (b) Any licensee under an on-sale general license or an on-sale
8 beer and wine license may apply to the department for an event
9 permit. An event permit under an on-sale general license or an
10 on-sale beer and wine license shall authorize, at events held no
11 more frequently than four days in any single calendar year, the
12 sale of beer, wine, and distilled spirits only under an on-sale general
13 license or beer and wine only under an on-sale beer and wine
14 license for consumption on property adjacent to the licensed
15 premises and owned or under the control of the licensee. This
16 property shall be secured and controlled by the licensee and not
17 visible to the general public.

18 (c) This section shall in no way limit the power of the
19 department to issue special licenses under the provisions of Section
20 24045 or to issue daily on-sale general licenses under the provisions
21 of Section 24045.1. Consent for sales at each event shall be first
22 obtained from the department in the form of a catering or event
23 authorization issued pursuant to rules prescribed by it. Any event
24 authorization shall be subject to approval by the appropriate local
25 law enforcement agency. The fee for each catering or event
26 authorization shall be issued at a fee not to exceed twenty-five
27 dollars (\$25) and this fee shall be deposited in the Alcohol
28 Beverage Control Fund as provided in Section 25761.

29 (d) At all approved events, the licensee may exercise only those
30 privileges authorized by the licensee's license and shall comply
31 with all provisions of the act pertaining to the conduct of on-sale
32 premises and violation of those provisions may be grounds for
33 suspension or revocation of the licensee's license or permit, or
34 both, as though the violation occurred on the licensed premises.

35 (e) The fee for a caterer's permit for a licensee under an on-sale
36 general license, a caterer's permit for a licensee under an on-sale
37 beer and wine license, or an event permit for a licensee under an
38 on-sale general license or an on-sale beer and wine license shall
39 be one hundred four dollars (\$104) for permits issued during the
40 2002 calendar year, one hundred seven dollars (\$107) for permits

1 issued during the 2003 calendar year, one hundred ten dollars
2 (\$110) for permits issued during the 2004 calendar year, and for
3 permits issued during the years thereafter, the annual fee shall be
4 calculated pursuant to subdivisions (b) and (c) of Section 23320,
5 and the fee for a caterer's permit for a licensee under a club license
6 or a veterans' club license shall be as specified in Section 23320,
7 and the permit may be renewable annually at the same time as the
8 licensee's license. A caterer's or event permit shall be transferable
9 as a part of the license.

10 SEC. 6. Section 23954.5 of the Business and Professions Code
11 is amended to read:

12 23954.5. (a) An applicant for an original on-sale general
13 license shall, at the time of filing the application for the license,
14 accompany the application with a fee as determined by the
15 department pursuant to subdivision (b) of this section. At the time
16 of filing an application for a license, an applicant for an original
17 on-sale general license for seasonal business shall accompany the
18 application with a fee as determined by the department pursuant
19 to subdivision (b) of this section. An applicant for an original
20 on-sale beer and wine license shall accompany the application
21 with a fee of three hundred dollars (\$300). An applicant for an
22 original on-sale beer license shall accompany the application with
23 a fee of two hundred dollars (\$200). An applicant for an original
24 off-sale general license shall, at the time of filing the application
25 for the license, accompany the application with a fee as determined
26 by the department pursuant to subdivision (b) of this section. An
27 applicant for an original off-sale beer and wine license or an
28 original license not specified in this section, shall accompany the
29 application with a fee of one hundred dollars (\$100).

30 "Original on-sale general license," "original on-sale general
31 license for seasonal business," "original on-sale beer and wine
32 license," "original on-sale beer license," "original off-sale general
33 license," and "original off-sale beer and wine license," as used in
34 this division, do not include a license issued upon renewal or
35 transfer of a license.

36 (b) The fee for an original on-sale general license or an original
37 off-sale general license shall be thirteen thousand eight hundred
38 dollars (\$13,800). Beginning January 1, 2011, and each January
39 thereafter, the department may adjust this fee as provided in
40 subdivisions (c) and (d) of Section 23320.

1 (c) All money collected from the fees provided for in this section
2 shall be in the Alcohol Beverage Control Fund as provided in
3 Section 25761.

4 SEC. 7. Section 337.5 of the Code of Civil Procedure is
5 amended to read:

6 337.5. Within 10 years:

7 (a) An action upon any general obligation bonds or coupons,
8 not secured in whole or in part by a lien on real property, issued
9 by any county, city and county, municipal corporation, district
10 (including school districts), or other political subdivision of the
11 State of California.

12 (b) An action upon a judgment or decree of any court of the
13 United States or of any state within the United States.

14 SEC. 8. Section 348.5 is added to the Code of Civil Procedure,
15 to read:

16 348.5. An action upon any bonds or coupons issued by the
17 State of California shall have no limitation.

18 SEC. 9. Section 94874.3 is added to the Education Code, to
19 read:

20 94874.3. (a) For the period July 1, 2010, to July 1, 2011,
21 inclusive, the bureau shall not enforce this chapter against an
22 institution that offers flight instruction or an institution that offers
23 Federal Aviation Administration certified educational programs
24 in aircraft maintenance.

25 (b) An institution identified in subdivision (a) shall notify the
26 bureau if the institution operates during the period of July 1, 2010,
27 to July 1, 2011, inclusive.

28 (c) This section shall remain in effect only until January 1, 2012,
29 and as of that date is repealed, unless a later enacted statute, that
30 is enacted before January 1, 2012, deletes or extends that date.

31 SEC. 10. Section 94949 of the Education Code is amended to
32 read:

33 94949. (a) On or before October 1, 2013, the Legislative
34 Analyst's Office shall report to the Legislature and the Governor
35 on the appropriateness of the exemptions provided in this chapter,
36 with particular attention to the exemptions provided by Article 4
37 (commencing with Section 94874) that are based on accreditation.
38 The report shall examine and make recommendations regarding
39 the degree to which regional and national accrediting agencies
40 provide oversight of institutions and protection of student interests,

whether that oversight results in the same level of protection of students as provided by this chapter, and whether the exemptions provided in Article 4 (commencing with Section 94874) that are based on accreditation should be continued, adjusted, or removed.

(b) (1) On or before August 1, 2013, the bureau shall contract with the Bureau of State Audits to conduct a performance audit to evaluate the effectiveness and efficiency of the bureau's operations, consistent with the requirements of this chapter, and the Bureau of State Audits shall report the results of that audit to the Legislature and the Governor.

(2) The performance audit required by paragraph (1) shall include, but shall not be limited to, an evaluation of all of the following:

(A) The Student Tuition Recovery Fund, including the adequacy of its balance; the quality, timeliness, and consistency of claims processing; and the degree to which it has been, or will be, able to reimburse tuition for students.

(B) The bureau's enforcement program, including the means by which the bureau makes students and school employees aware of their ability to file complaints; the average time for investigating complaints; the standards for referring complaints to investigation; the average time to complete investigations; the adequacy of the bureau's inspections; the bureau's record of imposing discipline; the bureau's record of initiating investigations based upon publicly available information; the bureau's record of coordinating with law enforcement and public prosecutors; and whether the bureau has the enforcement resources necessary to protect consumers and ensure a fair and prompt resolution of complaints and investigations for both students and institutions.

(C) The bureau's efforts with respect to, and extent of institution compliance with, the public and student disclosure requirements of this chapter.

(D) Whether the bureau's staffing level and expertise are sufficient to fulfill its statutory responsibilities.

(c) Bureau staff and management shall cooperate with the Legislative Analyst's Office and the Bureau of State Audits and shall provide those agencies with access to data, case files, employees, and information as those agencies may, in their discretion, require for the purposes of this section.

SEC. 11. Section 926.16 of the Government Code is repealed.

1 SEC. 12. Section 926.19 of the Government Code is repealed.

2 SEC. 13. Section 927 of the Government Code is amended to
3 read:

4 927. (a) This chapter shall be known and may be cited as the
5 California Prompt Payment Act.

6 (b) It is the intent of the Legislature that state agencies pay
7 properly submitted, undisputed invoices, refunds, or other
8 undisputed payments due to individuals within 45 days of receipt
9 or notification thereof, or automatically calculate and pay the
10 appropriate late payment penalties as specified in this chapter.

11 (c) Notwithstanding any other provision of law, this chapter
12 shall apply to all state agencies, including, but not limited to, the
13 Public Employees' Retirement System, the State Teachers'
14 Retirement System, the Treasurer, and the Department of General
15 Services.

16 SEC. 14. Section 927.2 of the Government Code is amended
17 to read:

18 927.2. The following definitions apply to this chapter:

19 (a) "Claim schedule" means a schedule of payment requests
20 prepared and submitted by a state agency to the Controller for
21 payment to the named claimant.

22 (b) "Grant" means a signed final agreement between any state
23 agency and a local government agency or organization authorized
24 to accept grant funding for victim services or prevention programs
25 administered by any state agency. Any such grant is a contract and
26 subject to this chapter.

27 (c) "Invoice" means a bill or claim that requests payment on a
28 contract under which a state agency acquires property or services
29 or pursuant to a signed final grant agreement.

30 (d) "Medi-Cal program" means the program established pursuant
31 to Chapter 7 (commencing with Section 14000) of Part 3 of
32 Division 9 of the Welfare and Institutions Code.

33 (e) "Nonprofit public benefit corporation" means a corporation,
34 as defined by subdivision (b) of Section 5046 of the Corporations
35 Code, that has registered with the Department of General Services
36 as a small business.

37 (f) "Nonprofit service organization" means a nonprofit entity
38 that is organized to provide services to the public.

39 (g) "Notice of refund or other payment due" means a state
40 agency provides notice to the person that a refund or payment is

1 owed to that person or the state agency receives notice from the
2 person that a refund or undisputed payment is due.

3 (h) “Payment” means any form of the act of paying, including,
4 but not limited to, the issuance of a warrant or a registered warrant
5 by the Controller, or the issuance of a revolving fund check by a
6 state agency, to a claimant in the amount of an undisputed invoice.

7 (i) “Reasonable cause” means a determination by a state agency
8 that any of the following conditions are present:

9 (1) There is a discrepancy between the invoice or claimed
10 amount and the provisions of the contract or grant.

11 (2) There is a discrepancy between the invoice or claimed
12 amount and either the claimant’s actual delivery of property or
13 services to the state or the state’s acceptance of those deliveries.

14 (3) Additional evidence supporting the validity of the invoice
15 or claimed amount is required to be provided to the state agency
16 by the claimant.

17 (4) The invoice has been improperly executed or needs to be
18 corrected by the claimant.

19 (5) There is a discrepancy between the refund or other payment
20 due as calculated by the person to whom the money is owed and
21 by the state agency.

22 (j) “Received by a state agency” means the date an invoice is
23 delivered to the state location or party specified in the contract or
24 grant or, if a state location or party is not specified in the contract
25 or grant, wherever otherwise specified by the state agency.

26 (k) “Required payment approval date” means the date on which
27 payment is due as specified in a contract or grant or, if a specific
28 date is not established by the contract or grant, 30 calendar days
29 following the date upon which an undisputed invoice is received
30 by a state agency.

31 (l) “Revolving fund” means a fund established pursuant to
32 Article 5 (commencing with Section 16400) of Division 4 of Title
33 2.

34 (m) “Small business” means a business certified as a “small
35 business” in accordance with subdivision (d) of Section 14837.

36 (n) “Small business” and “nonprofit organization” mean, in
37 reference to providers under the Medi-Cal program, a business or
38 organization that meets all of the following criteria:

39 (1) The principal office is located in California.

40 (2) The officers, if any, are domiciled in California.

1 (3) If a small business, it is independently owned and operated.

2 (4) The business or organization is not dominant in its field of
3 operation.

4 (5) Together with any affiliates, the business or organization
5 has gross receipts from business operations that do not exceed
6 three million dollars (\$3,000,000) per year, except that the Director
7 of Health Services may increase this amount if the director deems
8 that this action would be in furtherance of the intent of this chapter.

9 SEC. 15. Section 927.3 of the Government Code is amended
10 to read:

11 927.3. (a) Except where payment is made directly by a state
12 agency pursuant to Section 927.6, an undisputed invoice received
13 by a state agency shall be submitted to the Controller for payment
14 by the required payment approval date. A state agency may dispute
15 an invoice submitted by a claimant for reasonable cause if the state
16 agency notifies the claimant within 15 working days from receipt
17 of the invoice, or delivery of property or services, whichever is
18 later. No state employee shall dispute an invoice, on the basis of
19 minor or technical defects, in order to circumvent or avoid the
20 general intent or any of the specific provisions of this chapter.

21 (b) Except where payment is made directly by a state agency
22 pursuant to Section 927.13, a notice of refund or other payment
23 due received by a state agency shall be submitted to the Controller
24 within 30 calendar days of the agency's receipt of the notice. A
25 state agency may dispute a refund request for reasonable cause if
26 the state agency notifies the claimant within 15 working days after
27 the state agency receives notice from the individual that the refund
28 is due.

29 SEC. 16. Section 927.5 of the Government Code is amended
30 to read:

31 927.5. This chapter shall not apply to claims for reimbursement
32 for health care services provided under the Medi-Cal program,
33 unless the Medi-Cal health care services provider is a small
34 business or nonprofit organization. In applying this section to
35 claims submitted to the state, or its fiscal intermediary, by providers
36 of services or equipment under the Medi-Cal program, payment
37 for claims shall be due 30 days after a claim is received by the
38 state or its fiscal intermediary, unless reasonable cause for
39 nonpayment exists. With regard to Medi-Cal claims, reasonable
40 cause shall include review of claims to determine medical

1 necessity, review of claims for providers subject to special
2 prepayment fraud and abuse controls, and claims that require
3 review by the fiscal intermediary or State Department of Health
4 Care Services due to special circumstances. Claims requiring
5 special review as specified above shall not be eligible for a late
6 payment penalty.

7 SEC. 17. Section 927.6 of the Government Code is amended
8 to read:

9 927.6. (a) State agencies shall pay applicable penalties, without
10 requiring that the claimant submit an additional invoice for these
11 amounts, whenever the state agency fails to submit a correct claim
12 schedule to the Controller by the required payment approval date
13 and payment is not issued within 45 calendar days from the state
14 agency receipt of an undisputed invoice. The penalty shall cease
15 to accrue on the date the state agency submits the claim schedule
16 to the Controller for payment or pays the claimant directly, and
17 shall be paid for out of the state agency's support appropriation.
18 If the claimant is a certified small business, a nonprofit
19 organization, a nonprofit public benefit corporation, or a small
20 business or nonprofit organization that provides services or
21 equipment under the Medi-Cal program, the state agency shall pay
22 to the claimant a penalty at a rate of 10 percent above the United
23 States Prime Rate on June 30 of the prior fiscal year. However, a
24 nonprofit organization shall only be eligible to receive a penalty
25 payment if it has been awarded a contract or grant in an amount
26 less than five hundred thousand dollars (\$500,000). If the amount
27 of the penalty is ten dollars (\$10) or less, the penalty shall be
28 waived and not paid by the state agency.

29 (b) For all other businesses, the state agency shall pay a penalty
30 at a rate of 1 percent above the Pooled Money Investment Account
31 daily rate on June 30 of the prior fiscal year, not to exceed a rate
32 of 15 percent. If the amount of the penalty is one hundred dollars
33 (\$100) or less, the penalty shall be waived and not paid by the state
34 agency. On an exception basis, state agencies may avoid payment
35 of penalties for failure to submit a correct claim schedule to the
36 Controller by the required payment approval date by paying the
37 claimant directly from the state agency's revolving fund within
38 45 calendar days following the date upon which an undisputed
39 invoice is received by the state agency.

1 SEC. 18. Section 927.7 of the Government Code is amended
2 to read:

3 927.7. The Controller shall pay claimants within 15 calendar
4 days of receipt of a correct claim schedule from the state agency.
5 If the Controller fails to make payment within 15 calendar days
6 of receipt of the claim schedule from a state agency, and payment
7 is not issued within 45 calendar days from state agency receipt of
8 an undisputed invoice, the Controller shall pay applicable penalties
9 to the claimant without requiring that the claimant submit an
10 invoice for these amounts. Penalties shall cease to accrue on the
11 date full payment is made, and shall be paid for out of the
12 Controller's funds. If the claimant is a certified small business, a
13 nonprofit organization, a nonprofit public benefit corporation, or
14 a small business or nonprofit organization that provides services
15 or equipment under the Medi-Cal program, the Controller shall
16 pay to the claimant a penalty at a rate of 10 percent above the
17 United States Prime Rate on June 30 of the prior fiscal year, from
18 the 16th calendar day following receipt of the claim schedule from
19 the state agency. However, a nonprofit organization shall only be
20 eligible to receive a penalty payment if it has been awarded a
21 contract or grant in an amount less than five hundred thousand
22 dollars (\$500,000). If the amount of the penalty is ten dollars (\$10)
23 or less, the penalty shall be waived and not paid by the Controller.
24 For all other businesses, the Controller shall pay penalties at a rate
25 of 1 percent above the Pooled Money Investment Account daily
26 rate on June 30 of the prior fiscal year, not to exceed a rate of 15
27 percent. If the amount of the penalty is one hundred dollars (\$100)
28 or less, the penalty shall be waived and not paid by the Controller.

29 SEC. 19. Section 927.9 of the Government Code is amended
30 to read:

31 927.9. (a) On an annual basis, within 90 calendar days
32 following the end of each fiscal year, state agencies shall provide
33 the Director of General Services with a report on late payment
34 penalties that were paid by the state agency in accordance with
35 this chapter during the preceding fiscal year.

36 (b) The report shall separately identify the total number and
37 dollar amount of late payment penalties paid to small businesses,
38 other businesses, and refunds or other payments to individuals.
39 State agencies may, at their own initiative, provide the director
40 with other relevant performance measures. The director shall

1 prepare a report separately listing the number and total dollar
2 amount of all late payment penalties paid to small businesses, other
3 businesses, and refunds and other payments to individuals by each
4 state agency during the preceding fiscal year, together with other
5 relevant performance measures, and shall make the information
6 available to the public.

7 SEC. 20. Section 927.13 is added to the Government Code, to
8 read:

9 927.13. (a) Unless otherwise provided for by statute, any state
10 agency that fails to submit a correct claim schedule to the
11 Controller within 30 days of receipt of a notice of refund or other
12 payment due, and fails to issue payment within 45 days from the
13 notice of refund or other payment due, shall be liable for penalties
14 on the undisputed amount pursuant to this section. The penalties
15 shall be paid out of the agency's funds at a rate equal to the Pooled
16 Money Investment Account daily rate on June 30 of the prior fiscal
17 year minus 1 percent. The penalties shall cease to accrue on the
18 date full payment or refund is made. If the amount of the penalty
19 is ten dollars (\$10) or less, the penalty shall be waived and not
20 paid by the state agency. On an exception basis, state agencies
21 may avoid payment of penalties for failure to submit a correct
22 claim schedule to the Controller by paying the claimant directly
23 from the state agency's revolving fund within 45 calendar days
24 following the agency's receipt of the notice of refund or other
25 payment due.

26 (b) The Controller shall pay claimants within 15 calendar days
27 of receipt of a correct claim schedule from the state agency. If the
28 Controller fails to make payment within 15 calendar days of receipt
29 of the claim schedule from a state agency, and payment is not
30 issued within 45 calendar days following the agency's receipt of
31 a notice of refund or undisputed payment due, the Controller shall
32 pay applicable penalties to the claimant. Penalties shall cease to
33 accrue on the date full payment is made, and shall be paid out of
34 the Controller's funds. If the amount of the penalty is ten dollars
35 (\$10) or less, the penalty shall be waived and not paid by the
36 Controller.

37 (c) No person shall receive an interest payment pursuant to this
38 section if it is determined that the person has intentionally overpaid
39 on a liability solely for the purpose of receiving a penalty payment.

1 (d) No penalty shall accrue during any time period for which
2 there is no Budget Act in effect, nor on any payment or refund that
3 is the result of a federally mandated program or that is directly
4 dependent upon the receipt of federal funds by a state agency.

5 (e) This section shall not apply to any of the following:

6 (1) Payments, refunds, or credits for income tax purposes.

7 (2) Payment of claims for reimbursement for health care services
8 or mental health services provided under the Medi-Cal program,
9 pursuant to Chapter 7 (commencing with Section 14000) of Part
10 3 of Division 9 of the Welfare and Institutions Code.

11 (3) Any payment made pursuant to a public social service or
12 public health program to a recipient of benefits under that program.

13 (4) Payments made on claims by the California Victim
14 Compensation and Government Claims Board.

15 (5) Payments made by the Commission on State Mandates.

16 (6) Payments made by the Department of Personnel
17 Administration pursuant to Section 19823.

18 SEC. 21. Section 7072.3 is added to the Government Code, to
19 read:

20 7072.3. The department shall deposit funds collected pursuant
21 to subdivision (c) of Section 7076, subdivision (a) of Section
22 7097.1, and subdivision (a) of Section 7114.2 into the Enterprise
23 Zone Fund, which is hereby created in the State Treasury. Moneys
24 deposited into the fund shall be available to the department, upon
25 appropriation by the Legislature, for expenditure in carrying out
26 the provisions of this chapter, Chapter 12.93 (commencing with
27 Section 7097), and Chapter 12.97 (commencing with Section
28 7105), including, but not limited to, establishing a reasonable
29 reserve in the fund.

30 SEC. 22. Section 7076 of the Government Code is amended
31 to read:

32 7076. (a) (1) The department shall provide technical assistance
33 to the enterprise zones designated pursuant to this chapter with
34 respect to all of the following activities:

35 (A) Furnish limited onsite assistance to the enterprise zones
36 when appropriate.

37 (B) Ensure that the locality has developed a method to make
38 residents, businesses, and neighborhood organizations aware of
39 the opportunities to participate in the program.

1 (C) Help the locality develop a marketing program for the
2 enterprise zone.

3 (D) Coordinate activities of other state agencies regarding the
4 enterprise zones.

5 (E) Monitor the progress of the program.

6 (F) Help businesses to participate in the program.

7 (2) Notwithstanding existing law, the provision of services in
8 subparagraphs (A) to (F), inclusive, shall be a high priority of the
9 department.

10 (3) The department may, at its discretion, undertake other
11 activities in providing management and technical assistance for
12 successful implementation of this chapter.

13 (b) The applicant shall be required to begin implementation of
14 the enterprise zone plan contained in the final application within
15 six months after notification of final designation or the enterprise
16 zone shall lose its designation.

17 (c) The department shall assess a fee of fifteen dollars (\$15) on
18 each enterprise zone and manufacturing enhancement area for each
19 application for issuance of a certificate pursuant to subdivision (j)
20 of Section 17053.47 of, subdivision (c) of Section 17053.74 of,
21 subdivision (c) of Section 23622.7 of, or subdivision (i) of Section
22 23622.8 of, the Revenue and Taxation Code. The department shall
23 collect the fee for deposit into the Enterprise Zone Fund, pursuant
24 to Section 7072.3, for the costs of administering this chapter. The
25 enterprise zone or manufacturing enhancement area administrator
26 shall collect this fee at the time an application is submitted for
27 issuance of a certificate.

28 SEC. 23. Section 7097.1 of the Government Code is amended
29 to read:

30 7097.1. (a) The department shall assess each targeted tax area
31 a fee of fifteen dollars (\$15) for each application for issuance of
32 a certificate pursuant to subdivision (d) of Section 17053.34 of the
33 Revenue and Taxation Code and subdivision (d) of Section 23634
34 of the Revenue and Taxation Code. The department shall collect
35 the fee for deposit into the Enterprise Zone Fund, pursuant to
36 Section 7072.3, for the costs of administering this chapter. The
37 targeted tax area administrator shall collect this fee at the time an
38 application is submitted for issuance of a certificate.

39 (b) The department shall adopt regulations governing the
40 issuance of certificates pursuant to subdivision (d) of Section

1 17053.34 and subdivision (d) of Section 23634 of the Revenue
2 and Taxation Code. The adoption of the regulations shall be
3 deemed to be an emergency and necessary for the immediate
4 preservation of the public peace, health and safety, or general
5 welfare. Notwithstanding subdivision (c) of Section 11346.1, the
6 regulations shall remain in effect for not more than 360 days unless
7 the department complies with all the provisions of Chapter 3.5
8 (commencing with Section 11340) of Part 1 of Division 3 of Title
9 2 as required by subdivision (e) of Section 11346.1.

10 SEC. 24. Section 7114.2 of the Government Code is amended
11 to read:

12 7114.2. (a) The department shall assess each LAMBRA a fee
13 of fifteen dollars (\$15) for each application for issuance of a
14 certificate pursuant to subdivision (c) of Section 17053.46 of the
15 Revenue and Taxation Code and subdivision (c) of Section 23646
16 of the Revenue and Taxation Code. The department shall collect
17 the fee for deposit into the Enterprise Zone Fund, pursuant to
18 Section 7072.3, for the costs of administering this chapter. The
19 LAMBRA administrator shall collect this fee at the time an
20 application is submitted for issuance of a certificate.

21 (b) The department shall adopt regulations governing the
22 imposition and collection of fees pursuant to this section and the
23 issuance of certificates pursuant to subdivision (c) of Section
24 17053.46 of the Revenue and Taxation Code and subdivision (c)
25 of Section 23646 of the Revenue and Taxation Code. The
26 regulations shall provide for a notice or invoice to fee payers as
27 to the amount and purpose of the fee. The adoption of the
28 regulations shall be deemed to be an emergency and necessary for
29 the immediate preservation of the public peace, health and safety,
30 or general welfare. Notwithstanding subdivision (e) of Section
31 11346.1, the regulations shall remain in effect for no more than
32 360 days unless the agency complies with all the provisions of
33 Chapter 3.5 (commencing with Section 11340) of Part 1 of Division
34 3 of Title 2 as required by subdivision (e) of Section 11346.1.

35 SEC. 25. Section 7591 of the Government Code is amended
36 to read:

37 7591. (a) The amount of fifteen million dollars (\$15,000,000)
38 is appropriated, subject to subdivision (b), from the General Fund
39 to the Trade and Commerce Agency for a loan for allocation over
40 three years in three equal amounts to that nonprofit organization

1 currently named the San Diego National Sports Training
2 Foundation, for purposes of developing and constructing, with the
3 participation and advice of the United States Olympic Committee,
4 a California Olympic Training Center.

5 (b) The loan allocations provided for by this section shall be
6 made no earlier than December 31, of 1990, 1991, and 1992, and
7 shall be made only if the San Diego National Sports Training
8 Foundation is able and willing by each of those dates to provide
9 the sum of five million dollars (\$5,000,000), for purposes of
10 developing and constructing, with the participation and advice of
11 the United States Olympic Committee, a California Olympic
12 Training Center.

13 (c) Notwithstanding any other provision of law, any outstanding
14 loan balance and any accrued interest that exist on the operative
15 date of the act adding this subdivision shall not be required to be
16 repaid.

17 SEC. 26. Section 7592 of the Government Code is amended
18 to read:

19 7592. There is in the General Fund the California Olympic
20 Training Account. The account shall consist of those revenues
21 derived from the additional vehicle registration fees provided for
22 in Section 5023 of the Vehicle Code and shall be annually
23 transferred to the General Fund by the Controller.

24 SEC. 27. Section 11544 of the Government Code, as added by
25 Section 1 of Chapter 533 of the Statutes of 2006, is amended to
26 read:

27 11544. (a) The Technology Services Revolving Fund, hereafter
28 known as the fund, is hereby created within the State Treasury.
29 The fund shall be administered by the State Chief Information
30 Officer to receive all revenues from the sale of technology or
31 technology services provided for in this chapter, for other services
32 rendered by the office of the State Chief Information Officer, and
33 all other moneys properly credited to the office of the State Chief
34 Information Officer from any other source, to pay, upon
35 appropriation by the Legislature, all costs arising from this chapter
36 and rendering of services to state and other public agencies,
37 including, but not limited to, employment and compensation of
38 necessary personnel and expenses, such as operating and other
39 expenses of the board and the office of the State Chief Information
40 Officer, and costs associated with approved information technology

1 projects, and to establish reserves. At the discretion of the State
2 Chief Information Officer, segregated, dedicated accounts within
3 the fund may be established. The amendments made to this section
4 by the act adding this sentence shall apply to all revenues earned
5 on or after July 1, 2010.

6 (b) The fund shall consist of all of the following:

7 (1) Moneys appropriated and made available by the Legislature
8 for the purposes of this chapter.

9 (2) Any other moneys that may be made available to the office
10 of the State Chief Information Officer from any other source,
11 including the return from investments of moneys by the Treasurer.

12 (c) The office of the State Chief Information Officer may collect
13 payments from public agencies for providing services to those
14 agencies that the agencies have requested from the office of the
15 State Chief Information Officer. The office of the State Chief
16 Information Officer may require monthly payments by client
17 agencies for the services the agencies have requested. Pursuant to
18 Section 11255, the Controller shall transfer any amounts so
19 authorized by the office of the State Chief Information Officer,
20 consistent with the annual budget of each department, to the fund.
21 The office of the State Chief Information Officer shall notify each
22 affected state agency upon requesting the Controller to make the
23 transfer.

24 (d) At the end of any fiscal year, if the balance remaining in the
25 fund at the end of that fiscal year exceeds 25 percent of the portion
26 of the office of the State Chief Information Officer's current fiscal
27 year budget used for support of data center and other client
28 services, the excess amount shall be used to reduce the billing rates
29 for services rendered during the following fiscal year.

30 SEC. 28. Section 11546.4 is added to the Government Code,
31 to read:

32 11546.4. Notwithstanding any other law, any service contract
33 proposed to be entered into by an agency that would not otherwise
34 be subject to review, approval, or oversight by the office of the
35 State Chief Information Officer but that contains an information
36 technology component that would be subject to oversight by the
37 office of the State Chief Information Officer if it was a separate
38 information technology project, shall be subject to review,
39 approval, and oversight by the office of the State Chief Information
40 Officer as set forth in Section 11546.

1 SEC. 29. Chapter 2 (commencing with Section 13996) of Part
2 4.7 of Division 3 of Title 2 of the Government Code is repealed.

3 SEC. 30. Section 16429.1 of the Government Code is amended
4 to read:

5 16429.1. (a) There is in trust in the custody of the Treasurer
6 the Local Agency Investment Fund, which fund is hereby created.
7 The Controller shall maintain a separate account for each
8 governmental unit having deposits in this fund.

9 (b) Notwithstanding any other provisions of law, a local
10 governmental official, with the consent of the governing body of
11 that agency, having money in its treasury not required for
12 immediate needs, may remit the money to the Treasurer for deposit
13 in the Local Agency Investment Fund for the purpose of
14 investment.

15 (c) Notwithstanding any other provisions of law, an officer of
16 any nonprofit corporation whose membership is confined to public
17 agencies or public officials, or an officer of a qualified
18 quasi-governmental agency, with the consent of the governing
19 body of that agency, having money in its treasury not required for
20 immediate needs, may remit the money to the Treasurer for deposit
21 in the Local Agency Investment Fund for the purpose of
22 investment.

23 (d) Notwithstanding any other provision of law or of this section,
24 a local agency, with the approval of its governing body, may
25 deposit in the Local Agency Investment Fund proceeds of the
26 issuance of bonds, notes, certificates of participation, or other
27 evidences of indebtedness of the agency pending expenditure of
28 the proceeds for the authorized purpose of their issuance. In
29 connection with these deposits of proceeds, the Local Agency
30 Investment Fund is authorized to receive and disburse moneys,
31 and to provide information, directly with or to an authorized officer
32 of a trustee or fiscal agent engaged by the local agency, the Local
33 Agency Investment Fund is authorized to hold investments in the
34 name and for the account of that trustee or fiscal agent, and the
35 Controller shall maintain a separate account for each deposit of
36 proceeds.

37 (e) The local governmental unit, the nonprofit corporation, or
38 the quasi-governmental agency has the exclusive determination
39 of the length of time its money will be on deposit with the
40 Treasurer.

1 (f) The trustee or fiscal agent of the local governmental unit has
2 the exclusive determination of the length of time proceeds from
3 the issuance of bonds will be on deposit with the Treasurer.

4 (g) The Local Investment Advisory Board shall determine those
5 quasi-governmental agencies which qualify to participate in the
6 Local Agency Investment Fund.

7 (h) The Treasurer may refuse to accept deposits into the fund
8 if, in the judgment of the Treasurer, the deposit would adversely
9 affect the state's portfolio.

10 (i) The Treasurer may invest the money of the fund in securities
11 prescribed in Section 16430. The Treasurer may elect to have the
12 money of the fund invested through the Surplus Money Investment
13 Fund as provided in Article 4 (commencing with Section 16470)
14 of Chapter 3 of Part 2 of Division 4 of Title 2.

15 (j) Money in the fund shall be invested to achieve the objective
16 of the fund which is to realize the maximum return consistent with
17 safe and prudent treasury management.

18 (k) All instruments of title of all investments of the fund shall
19 remain in the Treasurer's vault or be held in safekeeping under
20 control of the Treasurer in any federal reserve bank, or any branch
21 thereof, or the Federal Home Loan Bank of San Francisco, with
22 any trust company, or the trust department of any state or national
23 bank.

24 (l) Immediately at the conclusion of each calendar quarter, all
25 interest earned and other increment derived from investments shall
26 be distributed by the Controller to the contributing governmental
27 units or trustees or fiscal agents, nonprofit corporations, and
28 quasi-governmental agencies in amounts directly proportionate to
29 the respective amounts deposited in the Local Agency Investment
30 Fund and the length of time the amounts remained therein. An
31 amount equal to the reasonable costs incurred in carrying out the
32 provisions of this section, not to exceed a maximum of 5 percent
33 of the earnings of this fund and not to exceed the amount
34 appropriated in the annual Budget Act for this function, shall be
35 deducted from the earnings prior to distribution. The amount of
36 this deduction shall be credited as reimbursements to the state
37 agencies, including the Treasurer, the Controller, and the
38 Department of Finance, having incurred costs in carrying out the
39 provisions of this section.

1 (m) The Treasurer shall prepare for distribution a monthly report
2 of investments made during the preceding month.

3 (n) As used in this section, “local agency,” “local governmental
4 unit,” and “local governmental official” includes a campus or other
5 unit and an official, respectively, of the California State University
6 who deposits moneys in funds described in Sections 89721, 89722,
7 and 89725 of the Education Code.

8 SEC. 31. Section 17556 of the Government Code is amended
9 to read:

10 17556. The commission shall not find costs mandated by the
11 state, as defined in Section 17514, in any claim submitted by a
12 local agency or school district, if, after a hearing, the commission
13 finds any one of the following:

14 (a) The claim is submitted by a local agency or school district
15 that requests or previously requested legislative authority for that
16 local agency or school district to implement the program specified
17 in the statute, and that statute imposes costs upon that local agency
18 or school district requesting the legislative authority. A resolution
19 from the governing body or a letter from a delegated representative
20 of the governing body of a local agency or school district that
21 requests authorization for that local agency or school district to
22 implement a given program shall constitute a request within the
23 meaning of this subdivision. This subdivision applies regardless
24 of whether the resolution from the governing body or a letter from
25 a delegated representative of the governing body was adopted or
26 sent prior to or after the date on which the statute or executive
27 order was enacted or issued.

28 (b) The statute or executive order affirmed for the state a
29 mandate that has been declared existing law or regulation by action
30 of the courts. This subdivision applies regardless of whether the
31 action of the courts occurred prior to or after the date on which
32 the statute or executive order was enacted or issued.

33 (c) The statute or executive order imposes a requirement that
34 is mandated by a federal law or regulation and results in costs
35 mandated by the federal government, unless the statute or executive
36 order mandates costs that exceed the mandate in that federal law
37 or regulation. This subdivision applies regardless of whether the
38 federal law or regulation was enacted or adopted prior to or after
39 the date on which the state statute or executive order was enacted
40 or issued.

1 (d) The local agency or school district has the authority to levy
2 service charges, fees, or assessments sufficient to pay for the
3 mandated program or increased level of service. This subdivision
4 applies regardless of whether the authority to levy charges, fees,
5 or assessments was enacted or adopted prior to or after the date
6 on which the statute or executive order was enacted or issued.

7 (e) The statute, executive order, or an appropriation in a Budget
8 Act or other bill provides for offsetting savings to local agencies
9 or school districts that result in no net costs to the local agencies
10 or school districts, or includes additional revenue that was
11 specifically intended to fund the costs of the state mandate in an
12 amount sufficient to fund the cost of the state mandate. This
13 subdivision applies regardless of whether a statute, executive order,
14 or appropriation in the Budget Act or other bill that either provides
15 for offsetting savings that result in no net costs or provides for
16 additional revenue specifically intended to fund the costs of the
17 state mandate in an amount sufficient to fund the cost of the state
18 mandate was enacted or adopted prior to or after the date on which
19 the statute or executive order was enacted or issued.

20 (f) The statute or executive order imposes duties that are
21 necessary to implement, or are expressly included in, a ballot
22 measure approved by the voters in a statewide or local election.
23 This subdivision applies regardless of whether the statute or
24 executive order was enacted or adopted before or after the date on
25 which the ballot measure was approved by the voters.

26 (g) The statute created a new crime or infraction, eliminated a
27 crime or infraction, or changed the penalty for a crime or infraction,
28 but only for that portion of the statute relating directly to the
29 enforcement of the crime or infraction.

30 SEC. 32. Section 17557 of the Government Code is amended
31 to read:

32 17557. (a) If the commission determines there are costs
33 mandated by the state pursuant to Section 17551, it shall determine
34 the amount to be subvented to local agencies and school districts
35 for reimbursement. In so doing it shall adopt parameters and
36 guidelines for reimbursement of any claims relating to the statute
37 or executive order. The successful test claimants shall submit
38 proposed parameters and guidelines within 30 days of adoption of
39 a statement of decision on a test claim. The proposed parameters
40 and guidelines may include proposed reimbursable activities that

1 are reasonably necessary for the performance of the state-mandated
2 program. At the request of a successful test claimant, the
3 commission may provide for one or more extensions of this 30-day
4 period at any time prior to its adoption of the parameters and
5 guidelines. If proposed parameters and guidelines are not submitted
6 within the 30-day period and the commission has not granted an
7 extension, then the commission shall notify the test claimant that
8 the amount of reimbursement the test claimant is entitled to for
9 the first 12 months of incurred costs will be reduced by 20 percent,
10 unless the test claimant can demonstrate to the commission why
11 an extension of the 30-day period is justified.

12 (b) In adopting parameters and guidelines, the commission may
13 adopt a reasonable reimbursement methodology.

14 (c) The parameters and guidelines adopted by the commission
15 shall specify the fiscal years for which local agencies and school
16 districts shall be reimbursed for costs incurred. However, the
17 commission may not specify in the parameters and guidelines any
18 fiscal year for which payment could be provided in the annual
19 Budget Act.

20 (d) (1) A local agency, school district, or the state may file a
21 written request with the commission to amend the parameters or
22 guidelines. The commission may, after public notice and hearing,
23 amend the parameters and guidelines. A parameters and guidelines
24 amendment submitted within 90 days of the claiming deadline for
25 initial claims, as specified in the claiming instructions pursuant to
26 Section 17561, shall apply to all years eligible for reimbursement
27 as defined in the original parameters and guidelines. A parameters
28 and guidelines amendment filed more than 90 days after the
29 claiming deadline for initial claims, as specified in the claiming
30 instructions pursuant to Section 17561, and on or before the
31 claiming deadline following a fiscal year, shall establish
32 reimbursement eligibility for that fiscal year.

33 (2) For purposes of this subdivision, the request to amend
34 parameters and guidelines may be filed to make any of the
35 following changes to parameters and guidelines, consistent with
36 the statement of decision:

37 (A) Delete any reimbursable activity that has been repealed by
38 statute or executive order after the adoption of the original or last
39 amended parameters and guidelines.

1 (B) Update offsetting revenues and offsetting savings that apply
2 to the mandated program and do not require a new legal finding
3 that there are no costs mandated by the state pursuant to subdivision
4 (e) of Section 17556.

5 (C) Include a reasonable reimbursement methodology for all or
6 some of the reimbursable activities.

7 (D) Clarify what constitutes reimbursable activities.

8 (E) Add new reimbursable activities that are reasonably
9 necessary for the performance of the state-mandated program.

10 (F) Define what activities are not reimbursable.

11 (G) Consolidate the parameters and guidelines for two or more
12 programs.

13 (H) Amend the boilerplate language. For purposes of this
14 section, “boilerplate language” means the language in the
15 parameters and guidelines that is not unique to the state-mandated
16 program that is the subject of the parameters and guidelines.

17 (e) A test claim shall be submitted on or before June 30
18 following a fiscal year in order to establish eligibility for
19 reimbursement for that fiscal year. The claimant may thereafter
20 amend the test claim at any time, but before the test claim is set
21 for a hearing, without affecting the original filing date as long as
22 the amendment substantially relates to the original test claim.

23 (f) In adopting parameters and guidelines, the commission shall
24 consult with the Department of Finance, the affected state agency,
25 the Controller, the fiscal and policy committees of the Assembly
26 and Senate, the Legislative Analyst, and the claimants to consider
27 a reasonable reimbursement methodology that balances accuracy
28 with simplicity.

29 SEC. 33. Section 17570 is added to the Government Code, to
30 read:

31 17570. (a) For purposes of this section the following
32 definitions shall apply:

33 (1) “Mandates law” means published court decisions arising
34 from state mandate determinations by the State Board of Control
35 or the Commission on State Mandates, or that address this part or
36 Section 6 of Article XIII B of the California Constitution.
37 “Mandates law” also includes statutory amendments to this part
38 and amendments to Section 6 of Article XIII B of the California
39 Constitution.

(2) “Subsequent change in law” is a change in law that requires a finding that an incurred cost is a cost mandated by the state, as defined by Section 17514, or is not a cost mandated by the state pursuant to Section 17556, or a change in mandates law, except that a “subsequent change in law” does not include the amendments to Section 6 of Article XIII B of the California Constitution that were approved by the voters on November 2, 2004. A “subsequent change in law” also does not include a change in the statutes or executive orders that impose new state-mandated activities and require a finding pursuant to subdivision (a) of Section 17551.

(3) “Test claim decision” means a decision of the Commission on State Mandates on a test claim filed pursuant to Section 17551 or a decision of the State Board of Control on a claim for state reimbursement filed pursuant to Article 1 (commencing with Section 2201), Article 2 (commencing with Section 2227), and Article 3 (commencing with Section 2240) of Chapter 3 of Part 4 of Division 1 of the Revenue and Taxation Code prior to January 1, 1985.

(b) The commission may adopt a new test claim decision to supersede a previously adopted test claim decision only upon a showing that the state’s liability for that test claim decision pursuant to subdivision (a) of Section 6 of Article XIII B of the California Constitution has been modified based on a subsequent change in law.

(c) A local agency or school district, statewide association of local agencies or school districts, or the Department of Finance, the Controller, or other affected state agency may file a request with the commission to adopt a new test claim decision pursuant to this section.

(d) The commission shall adopt procedures for receiving requests to adopt a new test claim decision pursuant to this section and for providing notice and a hearing on those requests. The procedures shall do all of the following:

(1) Specify that all requests for adoption of a new test claim decision shall be filed on a form prescribed by the commission that shall contain at least the following elements and documents:

(A) The name, case number, and adoption date of the prior test claim decision.

(B) A detailed analysis of how and why the state’s liability for mandate reimbursement has been modified pursuant to subdivision

1 (a) of Section 6 of Article XIII B of the California Constitution
2 based on a subsequent change in law.

3 (C) The actual or estimated amount of the annual statewide
4 change in the state's liability for mandate reimbursement pursuant
5 to subdivision (a) of Section 6 of Article XIII B of the California
6 Constitution based on a subsequent change in law.

7 (D) Identification of all of the following, if relevant:

8 (i) Dedicated state funds appropriated for the program.

9 (ii) Dedicated federal funds appropriated for the program.

10 (iii) Fee authority to offset the costs of the program.

11 (iv) Federal law.

12 (v) Court decisions.

13 (vi) State or local ballot measures and the corresponding date
14 of the election.

15 (E) All assertions of fact shall be supported with declarations
16 made under penalty of perjury, based on the declarant's personal
17 knowledge, information, or belief, and be signed by persons who
18 are authorized and competent to do so, including, but not limited
19 to, the following:

20 (i) Declarations of actual or estimated annual statewide costs
21 that will or will not be incurred to implement the alleged mandate.

22 (ii) Declarations identifying all local, state, or federal funds, or
23 fee authority that may or may not be used to offset the increased
24 costs that will or will not be incurred by claimants to implement
25 the alleged mandate or result in a finding of no costs mandated by
26 the state pursuant to Section 17556.

27 (iii) Declarations describing new activities performed to
28 implement specific provisions of the test claim statute or executive
29 order alleged to impose a reimbursable state-mandated program.

30 (F) Specific references shall be made to chapters, articles,
31 sections, or page numbers that are alleged to impose or not impose
32 a reimbursable state-mandated program.

33 (2) Require that a request for the adoption of a new test claim
34 decision be signed at the end of the document, under penalty of
35 perjury, by the requester or its authorized representative, along
36 with a declaration that the request is true and complete to the best
37 of the declarant's personal knowledge, information, or belief. The
38 procedures shall also require that the date of signing, the declarant's
39 title, address, telephone number, facsimile machine telephone
40 number, and electronic mail address be included.

1 (3) Provide that the commission shall return a submitted request
2 that is incomplete to the requester and allow the requester to
3 remedy the deficiencies. The procedures shall also provide that
4 the commission may disallow the original filing if a complete
5 request is not received by the commission within 30 calendar days
6 from the date that the incomplete request was returned to the
7 requester.

8 (4) Establish a two-step hearing process to consider requests
9 for adoption of a new test claim decision pursuant to this section.
10 As the first step, the commission shall conduct a hearing to
11 determine if the requester has made a showing that the state's
12 liability pursuant to subdivision (a) of Section 6 of Article XIII B
13 of the California Constitution has been modified based on a
14 subsequent change in law. If the commission determines that the
15 requester has made this showing, then pursuant to the commission's
16 authority in subdivision (b) of this section, the commission shall
17 notice the request for a hearing to determine if a new test claim
18 decision shall be adopted to supersede the previously adopted test
19 claim decision.

20 (5) Provide for presentation of evidence and legal argument at
21 the hearings by the requester, interested parties, the Department
22 of Finance, the Controller, any other affected state agency, and
23 interested persons.

24 (6) Permit a hearing to be postponed at the request of any party,
25 without prejudice, until the next scheduled hearing.

26 (e) To implement the procedures described in subdivision (d),
27 the commission shall initially adopt regulations as emergency
28 regulations and, for purposes of Section 11349.6, the adoption of
29 the regulations shall be considered by the Office of Administrative
30 Law to be necessary for the immediate preservation of the public
31 peace, health and safety, and general welfare. Notwithstanding
32 subdivision (e) of Section 11346.1, the regulations shall be repealed
33 within 180 days after their effective date, unless the commission
34 complies with Chapter 3.5 (commencing with Section 11340) of
35 Part 1 as provided in subdivision (e) of Section 11346.1.

36 (f) A request for adoption of a new test claim decision shall be
37 filed on or before June 30 following a fiscal year in order to
38 establish eligibility for reimbursement or loss of reimbursement
39 for that fiscal year.

1 (g) The commission shall notify interested parties, the
2 Controller, the Department of Finance, affected state agencies,
3 and the Legislative Analyst of any complete request for the
4 adoption of a new test claim decision that the commission receives.

5 (h) If the commission determines that the requester has made a
6 showing that the state's liability pursuant to subdivision (a) of
7 Section 6 of Article XIII B of the California Constitution has been
8 modified based on a subsequent change in law, and the commission
9 notices the request for a hearing to determine whether a new test
10 claim decision shall be adopted that supersedes a prior test claim
11 decision, the Controller shall notify eligible claimants that the
12 request has been filed with the commission and that the original
13 test claim decision may be superseded by a new decision adopted
14 by the commission. The notification may be included in the next
15 set of claiming instructions issued to eligible claimants.

16 (i) If the commission adopts a new test claim decision that
17 supersedes the previously adopted test claim decision, the
18 commission shall adopt new parameters and guidelines or amend
19 existing parameters and guidelines or reasonable reimbursement
20 methodology pursuant to Sections 17557, 17557.1, and 17557.2.

21 (j) Any new parameters and guidelines adopted or amendments
22 made to existing parameters and guidelines or a reasonable
23 reimbursement methodology shall conform to the new test claim
24 decision adopted by the commission.

25 (k) The Controller shall follow the procedures in Sections 17558,
26 17558.5, 17560, 17561, and 17561.5, as applicable, for a new test
27 claim decision adopted by the commission pursuant to this section.

28 (l) If the commission adopts a new test claim decision that will
29 result in reimbursement pursuant to Section 6 of Article XIII B of
30 the California Constitution because a cost is a cost mandated by
31 the state, as defined in Section 17514, the commission shall
32 determine the amount to be subvended to local agencies and school
33 districts by adopting a new statewide cost estimate pursuant to
34 Section 17557.

35 (m) In addition to the reports required pursuant to Sections
36 17600 and 17601, the commission shall notify the Legislature
37 within 30 days of adopting a new test claim decision that
38 supersedes a prior test claim decision and determining the amount
39 to be subvended to local agencies and school districts for
40 reimbursement pursuant to this section.

SEC. 34. Section 17570.1 is added to the Government Code, to read:

17570.1. As part of its review and consideration pursuant to Sections 17581 and 17581.5, the Legislature may, by statute, request that the Department of Finance consider exercising its authority pursuant to subdivision (c) of Section 17570.

~~SEC. 35. Section 54954.2 of the Government Code is repealed.~~

~~SEC. 36. Section 54954.5 of the Government Code is repealed.~~

~~SEC. 37. Section 54957.1 of the Government Code is repealed.~~

~~SEC. 38. Section 54957.7 of the Government Code is repealed.~~

~~SEC. 39. Section 54963.1 is added to the Government Code, to read:~~

~~54963.1. The Legislature finds and declares all of the following:~~

~~(a) Proposition 59, as approved by the voters at the November 2, 2004, general election, amended Section 3 of Article I of the California Constitution to ensure residents of this state the right of access to information concerning the conduct of the people's business and specified that the meetings of public bodies and the writings of public officials shall be open to public scrutiny.~~

~~(b) In order to exercise this right to scrutinize the meetings of legislative bodies, the residents of this state need timely information regarding the content and location of public hearings and closed sessions of legislative bodies.~~

~~(c) Section 3 of Article I of the California Constitution does not specify a particular procedure for legislative bodies to provide residents of this state with the information required by that section. The Legislature recognizes that legislative bodies may implement their responsibilities under these provisions differently.~~

~~(d) Proposition 59 was enacted by the voters in 2004. To implement its provisions, legislative bodies must develop policies and procedures to ensure that their meetings and writings are open to public scrutiny.~~

~~(e) To ensure that the residents of this state may exercise the rights granted to them under Section 3 of Article I of the California Constitution, as amended by Proposition 59, it is necessary for a legislative body to make known its policies to implement Proposition 59.~~

~~(f) To provide guidance to legislative bodies regarding implementation of Proposition 59 and to promote, but not require, consistency across the state, the Legislature has identified advisable~~

1 ~~policy guidelines for Proposition 59 implementation; these~~
2 ~~guidelines constitute the best practices described in Sections~~
3 ~~54963.3, 54963.4, 54963.5, and 54963.6.~~

4 ~~(g) The actions and procedures described in Sections 54963.3,~~
5 ~~54963.4, 54963.5, and 54963.6 constitute advisable and sound best~~
6 ~~practices for a legislative body which may, at its discretion, be~~
7 ~~utilized to implement subdivision (b) of Section 3 of Article I of~~
8 ~~the California Constitution.~~

9 ~~(h) Nothing in this chapter requires that a legislative body follow~~
10 ~~the best practices instead of following the legislative body's own~~
11 ~~local policies for complying with subdivision (b) of Section 3 of~~
12 ~~Article I of the California Constitution. In addition, nothing in this~~
13 ~~chapter requires a legislative body to undertake any additional~~
14 ~~legal analysis or policy development that is not required by~~
15 ~~subdivision (b) of Section 3 of Article I of the California~~
16 ~~Constitution.~~

17 ~~SEC. 40. Section 54963.2 is added to the Government Code,~~
18 ~~to read:~~

19 ~~54963.2. (a) In order to meet the requirements of subdivision~~
20 ~~(b) of Section 3 of Article I of the California Constitution, each~~
21 ~~legislative body annually shall announce at a regularly scheduled~~
22 ~~public hearing whether it has adopted its own policies to enable~~
23 ~~scrutiny of its meetings and the meetings of its boards and~~
24 ~~committees subject to this chapter, or will follow the best practices~~
25 ~~prescribed in Sections 54963.3, 54963.4, 54963.5, and 54963.6,~~
26 ~~to meet these constitutional provisions. If it has elected to adopt~~
27 ~~its own policies, the legislative body (1) shall make known where~~
28 ~~the local rules and relevant documentation are available to the~~
29 ~~public, and (2) may only modify these rules consistent with~~
30 ~~subdivision (b) of Section 3 of Article I of the California~~
31 ~~Constitution, upon notice to the public.~~

32 ~~(b) If a legislative body announces that it will follow a policy~~
33 ~~other than the best practices described in Sections 54963.3,~~
34 ~~54963.4, 54963.5, and 54963.6, it shall bear the burden of proof~~
35 ~~in any court action that its policies comply with the requirements~~
36 ~~of subdivision (b) of Section 3 of Article I of the California~~
37 ~~Constitution and shall be subject to the civil and criminal~~
38 ~~enforcement provisions included in Sections 54959, 54960, and~~
39 ~~54960.1.~~

1 SEC. 41. Section 54963.3 is added to the Government Code,
2 to read:

3 54963.3. (a) (1) At least 72 hours before a regular meeting,
4 the legislative body of the local agency, or its designee, shall post
5 an agenda containing a brief general description of each item of
6 business to be transacted or discussed at the meeting, including
7 items to be discussed in closed session. A brief general description
8 of an item generally need not exceed 20 words. The agenda shall
9 specify the time and location of the regular meeting and shall be
10 posted in a location that is freely accessible to members of the
11 public. If requested, the agenda shall be made available in
12 appropriate alternative formats to persons with a disability, as
13 required by Section 202 of the Americans with Disabilities Act of
14 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations
15 adopted in implementation thereof. The agenda shall include
16 information regarding how, to whom, and when a request for
17 disability related modification or accommodation, including
18 auxiliary aids or services may be made by a person with a disability
19 who requires a modification or accommodation in order to
20 participate in the public meeting.

21 (2) No action or discussion shall be undertaken on any item not
22 appearing on the posted agenda, except that members of a
23 legislative body or its staff may briefly respond to statements made
24 or questions posed by persons exercising their public testimony
25 rights under Section 54954.3. In addition, on their own initiative
26 or in response to questions posed by the public, a member of a
27 legislative body or its staff may ask a question for clarification,
28 make a brief announcement, or make a brief report on his or her
29 own activities. Furthermore, a member of a legislative body, or
30 the body itself, subject to rules or procedures of the legislative
31 body, may provide a reference to staff or other resources for factual
32 information, request staff to report back to the body at a subsequent
33 meeting concerning any matter, or take action to direct staff to
34 place a matter of business on a future agenda.

35 (b) Notwithstanding subdivision (a), the legislative body may
36 take action on items of business not appearing on the posted agenda
37 under any of the conditions stated below. Prior to discussing any
38 item pursuant to this subdivision, the legislative body shall publicly
39 identify the item.

1 ~~(1) Upon a determination by a majority vote of the legislative~~
2 ~~body that an emergency situation exists, as defined in Section~~
3 ~~54956.5:~~

4 ~~(2) Upon a determination by a two-thirds vote of the members~~
5 ~~of the legislative body present at the meeting, or, if less than~~
6 ~~two-thirds of the members are present, a unanimous vote of those~~
7 ~~members present, that there is a need to take immediate action and~~
8 ~~that the need for action came to the attention of the local agency~~
9 ~~subsequent to the agenda being posted as specified in subdivision~~
10 ~~(a):~~

11 ~~(3) The item was posted pursuant to subdivision (a) for a prior~~
12 ~~meeting of the legislative body occurring not more than five~~
13 ~~calendar days prior to the date action is taken on the item, and at~~
14 ~~the prior meeting the item was continued to the meeting at which~~
15 ~~action is being taken:~~

16 ~~SEC. 42. Section 54963.4 is added to the Government Code,~~
17 ~~to read:~~

18 ~~54963.4. For purposes of describing closed session items~~
19 ~~pursuant to Section 54963.3, the agenda may describe closed~~
20 ~~sessions as provided below. No legislative body or elected official~~
21 ~~shall be in violation of Section 54956 or 54963.3 if the closed~~
22 ~~session items were described in substantial compliance with this~~
23 ~~section. Substantial compliance is satisfied by including the~~
24 ~~information provided below, irrespective of its format:~~

25 ~~(a) With respect to a closed session held pursuant to Section~~
26 ~~54956.7:~~

27
28 ~~LICENSE/PERMIT DETERMINATION~~

29 ~~Applicant(s): (Specify number of applicants)~~
30

31 ~~(b) With respect to every item of business to be discussed in~~
32 ~~closed session pursuant to Section 54956.8:~~
33

34 ~~CONFERENCE WITH REAL PROPERTY NEGOTIATORS~~

35 ~~Property: (Specify street address, or if no street address, the~~
36 ~~parcel number or other unique reference, of the real property under~~
37 ~~negotiation)~~

38 ~~Agency negotiator: (Specify names of negotiators attending the~~
39 ~~closed session) (If circumstances necessitate the absence of a~~
40 ~~specified negotiator, an agent or designee may participate in place~~

1 of the absent negotiator so long as the name of the agent or
2 designee is announced at an open session held prior to the closed
3 session.)

4 Negotiating parties: (Specify name of party (not agent))

5 Under negotiation: (Specify whether instruction to negotiator
6 will concern price, terms of payment, or both)

7
8 (e) With respect to every item of business to be discussed in
9 closed session pursuant to Section 54956.9:

10
11 ~~CONFERENCE WITH LEGAL COUNSEL—EXISTING~~
12 ~~LITIGATION~~

13 (Subdivision (a) of Section 54956.9)

14 Name of case: (Specify by reference to claimant's name, names
15 of parties, case or claim numbers)

16 or

17 Case name unspecified: (Specify whether disclosure would
18 jeopardize service of process or existing settlement negotiations)

19 ~~CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED~~
20 ~~LITIGATION~~

21 Significant exposure to litigation pursuant to subdivision (b) of
22 Section 54956.9: (Specify number of potential cases)

23 (In addition to the information noticed above, the agency may
24 be required to provide additional information on the agenda or in
25 an oral statement prior to the closed session pursuant to
26 subparagraphs (B) to (E), inclusive, of paragraph (3) of subdivision
27 (b) of Section 54956.9.)

28 Initiation of litigation pursuant to subdivision (c) of Section
29 54956.9: (Specify number of potential cases)

30
31 (d) With respect to every item of business to be discussed in
32 closed session pursuant to Section 54956.95:

33
34 ~~LIABILITY CLAIMS~~

35 Claimant: (Specify name unless unspecified pursuant to Section
36 54961)

37 Agency claimed against: (Specify name)

38
39 (e) With respect to every item of business to be discussed in
40 closed session pursuant to Section 54957:

1
2 **THREAT TO PUBLIC SERVICES OR FACILITIES**

3 Consultation with: (Specify name of law enforcement agency
4 and title of officer, or name of applicable agency representative
5 and title)

6 **PUBLIC EMPLOYEE APPOINTMENT**

7 Title: (Specify description of position to be filled)

8 **PUBLIC EMPLOYMENT**

9 Title: (Specify description of position to be filled)

10 **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

11 Title: (Specify position title of employee being reviewed)

12 **PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE**

13 (No additional information is required in connection with a
14 closed session to consider discipline, dismissal, or release of a
15 public employee. Discipline includes potential reduction of
16 compensation.)

17
18 (f) With respect to every item of business to be discussed in
19 closed session pursuant to Section 54957.6:

20
21 **CONFERENCE WITH LABOR NEGOTIATORS**

22 Agency designated representatives: (Specify names of designated
23 representatives attending the closed session) (If circumstances
24 necessitate the absence of a specified designated representative,
25 an agent or designee may participate in place of the absent
26 representative so long as the name of the agent or designee is
27 announced at an open session held prior to the closed session.)

28 Employee organization: (Specify name of organization
29 representing employee or employees in question)

30 or

31 Unrepresented employee: (Specify position title of unrepresented
32 employee who is the subject of the negotiations)

33
34 (g) With respect to closed sessions called pursuant to Section
35 54957.8:

36
37 **CASE REVIEW/PLANNING**

38 (No additional information is required in connection with a
39 closed session to consider case review or planning.)

~~(h) With respect to every item of business to be discussed in closed session pursuant to Sections 1461, 32106, and 32155 of the Health and Safety Code or Sections 37606 and 37624.3 of the Government Code:~~

~~REPORT INVOLVING TRADE SECRET~~

~~Discussion will concern: (Specify whether discussion will concern proposed new service, program, or facility)~~

~~Estimated date of public disclosure: (Specify month and year)~~

~~HEARINGS~~

~~Subject matter: (Specify whether testimony or deliberation will concern staff privileges, report of medical audit committee, or report of quality assurance committee)~~

~~(i) With respect to every item of business to be discussed in closed session pursuant to Section 54956.86:~~

~~CHARGE OR COMPLAINT INVOLVING INFORMATION PROTECTED BY FEDERAL LAW~~

~~(No additional information is required in connection with a closed session to discuss a charge or complaint pursuant to Section 54956.86.)~~

~~(j) With respect to every item of business to be discussed in closed session pursuant to Section 54956.96:~~

~~CONFERENCE INVOLVING A JOINT POWERS AGENCY (Specify by name)~~

~~Discussion will concern: (Specify closed session description used by the joint powers agency)~~

~~Name of local agency representative on joint powers agency board: (Specify name)~~

~~(Additional information is required listing the names of agencies or titles of representatives attending the closed session as consultants or other representatives.)~~

~~(k) With respect to every item of business to be discussed in closed session pursuant to Section 54956.75:~~

~~AUDIT BY BUREAU OF STATE AUDITS~~

1
2 SEC. 43.— Section 54963.5 is added to the Government Code,
3 to read:

4 54963.5.— (a) The legislative body of any local agency shall
5 publicly report any action taken in closed session and the vote or
6 abstention on that action of every member present, as follows:

7 (1) Approval of an agreement concluding real estate negotiations
8 pursuant to Section 54956.8 shall be reported after the agreement
9 is final, as follows:

10 (A) If its own approval renders the agreement final, the body
11 shall report that approval and the substance of the agreement in
12 open session at the public meeting during which the closed session
13 is held.

14 (B) If final approval rests with the other party to the negotiations;
15 the local agency shall disclose the fact of that approval and the
16 substance of the agreement upon inquiry by any person, as soon
17 as the other party or its agent has informed the local agency of its
18 approval.

19 (2) Approval given to its legal counsel to defend, or seek or
20 refrain from seeking appellate review or relief, or to enter as an
21 amicus curiae in any form of litigation as the result of a
22 consultation under Section 54956.9 shall be reported in open
23 session at the public meeting during which the closed session is
24 held. The report shall identify, if known, the adverse party or
25 parties and the substance of the litigation. In the case of approval
26 given to initiate or intervene in an action, the announcement need
27 not identify the action, the defendants, or other particulars, but
28 shall specify that the direction to initiate or intervene in an action
29 has been given and that the action, the defendants, and the other
30 particulars shall, once formally commenced, be disclosed to any
31 person upon inquiry, unless to do so would jeopardize the agency's
32 ability to effectuate service of process on one or more unserved
33 parties, or that to do so would jeopardize its ability to conclude
34 existing settlement negotiations to its advantage.

35 (3) Approval given to its legal counsel of a settlement of pending
36 litigation, as defined in Section 54956.9, at any stage prior to or
37 during a judicial or quasi-judicial proceeding shall be reported
38 after the settlement is final, as follows:

39 (A) If the legislative body accepts a settlement offer signed by
40 the opposing party, the body shall report its acceptance and identify

~~the substance of the agreement in open session at the public meeting during which the closed session is held.~~

~~(B) If final approval rests with some other party to the litigation or with the court, then as soon as the settlement becomes final, and upon inquiry by any person, the local agency shall disclose the fact of that approval, and identify the substance of the agreement.~~

~~(4) Disposition reached as to claims discussed in closed session pursuant to Section 54956.95 shall be reported as soon as reached in a manner that identifies the name of the claimant, the name of the local agency claimed against, the substance of the claim, and any monetary amount approved for payment and agreed upon by the claimant.~~

~~(5) Action taken to appoint, employ, dismiss, accept the resignation of, or otherwise affect the employment status of a public employee in closed session pursuant to Section 54957 shall be reported at the public meeting during which the closed session is held. Any report required by this paragraph shall identify the title of the position. The general requirement of this paragraph notwithstanding, the report of a dismissal or of the nonrenewal of an employment contract shall be deferred until the first public meeting following the exhaustion of administrative remedies, if any.~~

~~(6) Approval of an agreement concluding labor negotiations with represented employees pursuant to Section 54957.6 shall be reported after the agreement is final and has been accepted or ratified by the other party. The report shall identify the item approved and the other party or parties to the negotiation.~~

~~(7) Pension fund investment transaction decisions made pursuant to Section 54956.81 shall be disclosed at the first open meeting of the legislative body held after the earlier of the close of the investment transaction or the transfer of pension fund assets for the investment transaction.~~

~~(b) Reports that are required to be made pursuant to this section may be made orally or in writing. The legislative body shall provide to any person who has submitted a written request to the legislative body within 24 hours of the posting of the agenda, or to any person who has made a standing request for all documentation as part of a request for notice of meetings pursuant to Section 54954.1 or 54956, if the requester is present at the time the closed session~~

1 ends, copies of any contracts, settlement agreements, or other
2 documents that were finally approved or adopted in the closed
3 session. If the action taken results in one or more substantive
4 amendments to the related documents requiring retyping, the
5 documents need not be released until the retyping is completed
6 during normal business hours, provided that the presiding officer
7 of the legislative body or his or her designee orally summarizes
8 the substance of the amendments for the benefit of the document
9 requester or any other person present and requesting the
10 information.

11 (e) The documentation referred to in subdivision (b) shall be
12 available to any person on the next business day following the
13 meeting in which the action referred to is taken or, in the case of
14 substantial amendments, when any necessary retyping is complete.

15 (d) Nothing in this section shall be construed to require that the
16 legislative body approve actions not otherwise subject to legislative
17 body approval.

18 (e) No action for injury to a reputational, liberty, or other
19 personal interest may be commenced by or on behalf of any
20 employee or former employee with respect to whom a disclosure
21 is made by a legislative body in an effort to comply with this
22 section.

23 SEC. 44. Section 54963.6 is added to the Government Code,
24 to read:

25 54963.6. (a) Prior to holding any closed session, the legislative
26 body of the local agency shall disclose, in an open meeting, the
27 item or items to be discussed in the closed session. The disclosure
28 may take the form of a reference to the item or items as they are
29 listed by number or letter on the agenda. In the closed session, the
30 legislative body may consider only those matters covered in its
31 statement. Nothing in this section shall require or authorize a
32 disclosure of information prohibited by state or federal law.

33 (b) After any closed session, the legislative body shall reconvene
34 into open session prior to adjournment and shall make any
35 disclosures required by Section 54963.5 of action taken in the
36 closed session.

37 (c) The announcements required to be made in open session
38 pursuant to this section may be made at the location announced in
39 the agenda for the closed session, as long as the public is allowed

1 ~~to be present at that location for the purpose of hearing the~~
2 ~~announcements.~~

3 SEC. 45. Section 50199.9 of the Health and Safety Code is
4 amended to read:

5 50199.9. (a) The committee shall establish and charge fees
6 which it determines are reasonably sufficient to cover all of the
7 costs of the committee in carrying out its responsibilities under
8 this chapter. The Tax Credit Allocation Fee Account is hereby
9 established in the State Treasury. The fees shall be deposited by
10 the committee in the Tax Credit Allocation Fee Account and shall
11 be available, upon appropriation by the Legislature, to the
12 committee for the purpose of covering all of those costs, except
13 that fees may be shared, in an amount determined by the
14 committee, with any state or local agency that assists the committee
15 in performing its duties.

16 (b) Funds deposited in the Tax Credit Allocation Fee Account
17 are continuously appropriated without regard to fiscal year for
18 purposes of sharing with state and local agencies pursuant to
19 subdivision (a).

20 (c) Until the time that sufficient fee revenue is received by the
21 committee, the committee may borrow any money as may be
22 required for the purpose of meeting necessary expenses of the
23 operation of the committee, not to exceed the amount appropriated.
24 Any loan made to the committee pursuant to this subdivision shall
25 be repayable solely from moneys appropriated to the committee
26 from the Tax Credit Allocation Fee Account and shall not constitute
27 a general obligation for which the faith and credit of the state are
28 pledged.

29 (d) There shall be established a subaccount within the Tax Credit
30 Allocation Fee Account named the Occupancy Compliance
31 Monitoring Account.

32 (e) Fees collected for the purpose of paying the costs of
33 monitoring projects with allocations of tax credits for compliance
34 with federal and state law, as required by Section 42(m) of the
35 federal Internal Revenue Code, and Section 50199.15, shall be
36 deposited in the Occupancy Compliance Monitoring Account to
37 be used solely for this purpose. Any performance deposits forfeited
38 to the committee shall be deposited in the Occupancy Compliance
39 Monitoring Account.

1 (f) Notwithstanding any other law, the Controller may use the
2 fees deposited in the accounts established by this section for daily
3 cash flow loans to the General Fund or the General Cash Revolving
4 Fund, as provided in Sections 16310 and 16381 of the Government
5 Code.

6 SEC. 46. Section 62.9 of the Labor Code is amended to read:

7 62.9. (a) (1) The director shall levy and collect assessments
8 from employers in accordance with this section. The total amount
9 of the assessment collected shall be the amount determined by the
10 director to be necessary to produce the revenue sufficient to fund
11 the programs specified by Section 62.7, except that the amount
12 assessed in any year for those purposes shall not exceed 50 percent
13 of the amounts appropriated from the General Fund for the support
14 of the occupational safety and health program for the 1993–94
15 fiscal year, adjusted for inflation. The director also shall include
16 in the total assessment amount the department's costs for
17 administering the assessment, including the collections process
18 and the cost of reimbursing the Franchise Tax Board or another
19 agency or department for its cost of collection activities pursuant
20 to subdivision (c).

21 (2) The insured employers and private sector self-insured
22 employers that, pursuant to subdivision (b), are subject to
23 assessment shall be assessed, respectively, on the basis of their
24 annual payroll subject to premium charges or their annual payroll
25 that would be subject to premium charges if the employer were
26 insured, as follows:

27 (A) An employer with a payroll of less than two hundred fifty
28 thousand dollars (\$250,000) shall be assessed one hundred dollars
29 (\$100).

30 (B) An employer with a payroll of two hundred fifty thousand
31 dollars (\$250,000) or more, but not more than five hundred
32 thousand dollars (\$500,000), shall be assessed two hundred dollars
33 (\$200).

34 (C) An employer with a payroll of more than five hundred
35 thousand dollars (\$500,000), but not more than seven hundred fifty
36 thousand dollars (\$750,000), shall be assessed four hundred dollars
37 (\$400).

38 (D) An employer with a payroll of more than seven hundred
39 fifty thousand dollars (\$750,000), but not more than one million
40 dollars (\$1,000,000), shall be assessed six hundred dollars (\$600).

1 (E) An employer with a payroll of more than one million dollars
2 (\$1,000,000), but not more than one million five hundred thousand
3 dollars (\$1,500,000), shall be assessed eight hundred dollars (\$800).

4 (F) An employer with a payroll of more than one million five
5 hundred thousand dollars (\$1,500,000), but not more than two
6 million dollars (\$2,000,000), shall be assessed one thousand dollars
7 (\$1,000).

8 (G) An employer with a payroll of more than two million dollars
9 (\$2,000,000), but not more than two million five hundred thousand
10 dollars (\$2,500,000), shall be assessed one thousand five hundred
11 dollars (\$1,500).

12 (H) An employer with a payroll of more than two million five
13 hundred thousand dollars (\$2,500,000), but not more than three
14 million five hundred thousand dollars (\$3,500,000), shall be
15 assessed two thousand dollars (\$2,000).

16 (I) An employer with a payroll of more than three million five
17 hundred thousand dollars (\$3,500,000), but not more than four
18 million five hundred thousand dollars (\$4,500,000), shall be
19 assessed two thousand five hundred dollars (\$2,500).

20 (J) An employer with a payroll of more than four million five
21 hundred thousand dollars (\$4,500,000), but not more than five
22 million five hundred thousand dollars (\$5,500,000), shall be
23 assessed three thousand dollars (\$3,000).

24 (K) An employer with a payroll of more than five million five
25 hundred thousand dollars (\$5,500,000), but not more than seven
26 million dollars (\$7,000,000), shall be assessed three thousand five
27 hundred dollars (\$3,500).

28 (L) An employer with a payroll of more than seven million
29 dollars (\$7,000,000), but not more than twenty million dollars
30 (\$20,000,000), shall be assessed six thousand seven hundred dollars
31 (\$6,700).

32 (M) An employer with a payroll of more than twenty million
33 dollars (\$20,000,000) shall be assessed ten thousand dollars
34 (\$10,000).

35 (b) (1) In the manner as specified by this section, the director
36 shall identify those insured employers having a workers'
37 compensation experience modification rating of 1.25 or more, and
38 private sector self-insured employers having an equivalent
39 experience modification rating of 1.25 or more as determined
40 pursuant to subdivision (e).

1 (2) The assessment required by this section shall be levied
2 annually, on a calendar year basis, on those insured employers and
3 private sector self-insured employers, as identified pursuant to
4 paragraph (1), having the highest workers' compensation
5 experience modification ratings or equivalent experience
6 modification ratings, that the director determines to be required
7 numerically to produce the total amount of the assessment to be
8 collected pursuant to subdivision (a).

9 (c) The director shall collect the assessment from insured
10 employers as follows:

11 (1) Upon the request of the director, the Department of Insurance
12 shall direct the licensed rating organization designated as the
13 department's statistical agent to provide to the director, for
14 purposes of subdivision (b), a list of all insured employers having
15 a workers' compensation experience rating modification of 1.25
16 or more, according to the organization's records at the time the
17 list is requested, for policies commencing the year preceding the
18 year in which the assessment is to be collected.

19 (2) The director shall determine the annual payroll of each
20 insured employer subject to assessment from the payroll that was
21 reported to the licensed rating organization identified in paragraph
22 (1) for the most recent period for which one full year of payroll
23 information is available for all insured employers.

24 (3) On or before September 1 of each year, the director shall
25 determine each of the current insured employers subject to
26 assessment, and the amount of the total assessment for which each
27 insured employer is liable. The director immediately shall notify
28 each insured employer, in a format chosen by the insurer, of the
29 insured's obligation to submit payment of the assessment to the
30 director within 30 days after the date the billing was mailed, and
31 warn the insured of the penalties for failure to make timely and
32 full payment as provided by this subdivision.

33 (4) The director shall identify any insured employers that, within
34 30 days after the mailing of the billing notice, fail to pay, or object
35 to, their assessments. The director shall mail to each of these
36 employers a notice of delinquency and a notice of the intention to
37 assess penalties, advising that, if the assessment is not paid in full
38 within 15 days after the mailing of the notices, the director will
39 levy against the employer a penalty equal to 25 percent of the
40 employer's assessment, and will refer the assessment and penalty

1 to the Franchise Tax Board or another agency or department for
2 collection. The notices required by this paragraph shall be sent by
3 United States first-class mail.

4 (5) If an assessment is not paid by an insured employer within
5 15 days after the mailing of the notices required by paragraph (4),
6 the director shall refer the delinquent assessment and the penalty
7 to the Franchise Tax Board, or another agency or department, as
8 deemed appropriate by the director, for collection pursuant to
9 Section 19290.1 of the Revenue and Taxation Code, or Section
10 1900 of the Unemployment Insurance Code.

11 (d) The director shall collect the assessment directly from private
12 sector self-insured employers. The failure of any private sector
13 self-insured employer to pay the assessment as billed constitutes
14 grounds for the suspension or termination of the employer's
15 certificate to self-insure.

16 (e) The director shall adopt regulations implementing this section
17 that include provision for a method of determining experience
18 modification ratings for private sector self-insured employers that
19 is generally equivalent to the modification ratings that apply to
20 insured employers and is weighted by both severity and frequency.

21 (f) The director shall determine whether the amount collected
22 pursuant to any assessment exceeds expenditures, as described in
23 subdivision (a), for the current year and shall credit the amount of
24 any excess to any deficiency in the prior year's assessment or, if
25 there is no deficiency, against the assessment for the subsequent
26 year.

27 SEC. 47. Section 1771.3 of the Labor Code is amended to read:

28 1771.3. (a) (1) The State Public Works Enforcement Fund is
29 hereby created as a special fund in the State Treasury.
30 Notwithstanding Section 13340 of the Government Code, moneys
31 in the fund shall be continuously appropriated for the purposes the
32 Department of Industrial Relations' enforcement of prevailing
33 wage requirements applicable to public works pursuant to this
34 chapter, and labor compliance enforcement as set forth in
35 subdivision (b) of Section 1771.55, and shall not be used or
36 borrowed for any other purpose.

37 (2) The Director of Industrial Relations, with the approval of
38 the Director of Finance, shall determine and assess a fee on any
39 awarding body using funds derived from any bond issued by the
40 state to fund public works projects, in an amount not to exceed

1 one-fourth of 1 percent of the bond proceeds. The fee shall be set
2 to cover the expenses of the Department of Industrial Relations
3 for administering the prevailing wage requirements on public works
4 projects using those bond funds. The fee shall be payable by the
5 board, commission, department, agency, or official responsible
6 for the allocation of bond proceeds from the bond funds awarded
7 to each project at the time the funds are released to the project or
8 other such time the Department of Industrial Relations and the
9 entity responsible for allocation of the bond proceeds may agree.
10 All fees collected pursuant to this section shall be deposited in the
11 State Public Works Enforcement Fund, and shall be used only for
12 enforcement of prevailing wage requirements on projects using
13 bond funds and other projects for which awarding bodies pay into
14 the fund. The administration and enforcement of prevailing wage
15 requirements is an administrative expense associated with public
16 works construction.

17 (b) The fee imposed by this section shall not apply to any
18 contract awarded prior to the effective date of regulations adopted
19 by the department pursuant to paragraph (2) of subdivision (b) of
20 Section 1771.55.

21 (c) The department shall report to the Legislature, not later than
22 March 1, 2011, on its administration of the State Public Works
23 Enforcement Fund, and the prevailing wage enforcement activities
24 undertaken by the department utilizing that funding.

25 SEC. 48. Section 1771.5 of the Labor Code is amended to read:

26 1771.5. (a) Notwithstanding Section 1771, an awarding body
27 may not require the payment of the general prevailing rate of per
28 diem wages or the general prevailing rate of per diem wages for
29 holiday and overtime work for any public works project of
30 twenty-five thousand dollars (\$25,000) or less when the project is
31 for construction work, or for any public works project of fifteen
32 thousand dollars (\$15,000) or less when the project is for alteration,
33 demolition, repair, or maintenance work, if the awarding body
34 elects to initiate and enforce a labor compliance program pursuant
35 to subdivision (b) for every public works project under the authority
36 of the awarding body.

37 (b) For purposes of this section, a labor compliance program
38 shall include, but not be limited to, the following requirements:

39 (1) All bid invitations and public works contracts shall contain
40 appropriate language concerning the requirements of this chapter.

1 (2) A prejob conference shall be conducted with the contractor
2 and subcontractors to discuss federal and state labor law
3 requirements applicable to the contract.

4 (3) Project contractors and subcontractors shall maintain and
5 furnish, at a designated time, a certified copy of each weekly
6 payroll containing a statement of compliance signed under penalty
7 of perjury.

8 (4) The awarding body shall review, and, if appropriate, audit
9 payroll records to verify compliance with this chapter.

10 (5) The awarding body shall withhold contract payments when
11 payroll records are delinquent or inadequate.

12 (6) The awarding body shall withhold contract payments equal
13 to the amount of underpayment and applicable penalties when,
14 after investigation, it is established that underpayment has occurred.

15 (c) For purposes of this chapter, “labor compliance program”
16 means a labor compliance program that is approved, as specified
17 in state regulations, by the Director of the Department of Industrial
18 Relations.

19 (d) For purposes of this chapter, the Director of the Department
20 of Industrial Relations may revoke the approval of a labor
21 compliance program in the manner specified in state regulations.

22 SEC. 49. Section 1771.7 of the Labor Code is amended to read:

23 1771.7. (a) (1) An awarding body that chooses to use funds
24 derived from either the Kindergarten-University Public Education
25 Facilities Bond Act of 2002 or the Kindergarten-University Public
26 Education Facilities Bond Act of 2004 for a public works project,
27 shall initiate and enforce, or contract with a third party to initiate
28 and enforce, a labor compliance program, as described in
29 subdivision (b) of Section 1771.5, with respect to that public works
30 project.

31 (2) If an awarding body described in paragraph (1) chooses to
32 contract with a third party to initiate and enforce a labor compliance
33 program for a project described in paragraph (1), that third party
34 shall not review the payroll records of its own employees or the
35 employees of its subcontractors, and the awarding body or an
36 independent third party shall review these payroll records for
37 purposes of the labor compliance program.

38 (b) This section applies to public works that commence on or
39 after April 1, 2003. For purposes of this subdivision, work
40 performed during the design and preconstruction phases of

1 construction, including, but not limited to, inspection and land
2 surveying work, does not constitute the commencement of a public
3 work.

4 (c) (1) For purposes of this section, if any campus of the
5 California State University chooses to use the funds described in
6 subdivision (a), then the “awarding body” is the Chancellor of the
7 California State University. For purposes of this subdivision, if
8 the chancellor is required by subdivision (a) to initiate and enforce,
9 or to contract with a third party to initiate and enforce, the labor
10 compliance program described in that subdivision, then in addition
11 to the requirements imposed upon an awarding body by subdivision
12 (b) of Section 1771.5, the Chancellor of the California State
13 University shall review the payroll records described in paragraphs
14 (3) and (4) of subdivision (b) of Section 1771.5 on at least a
15 monthly basis to ensure the awarding body’s compliance with the
16 labor compliance program.

17 (2) For purposes of this subdivision, if an awarding body
18 described in subdivision (a) is the University of California or any
19 campus of that university, and that awarding body is required by
20 subdivision (a) to initiate and enforce, or to contract with a third
21 party to initiate and enforce, the labor compliance program
22 described in that subdivision, then in addition to the requirements
23 imposed upon an awarding body by subdivision (b) of Section
24 1771.5, the payroll records described in paragraphs (3) and (4) of
25 subdivision (b) of Section 1771.5 shall be reviewed on at least a
26 monthly basis to ensure the awarding body’s compliance with the
27 labor compliance program.

28 (d) (1) An awarding body described in subdivision (a) shall
29 make a written finding that the awarding body has initiated and
30 enforced, or has contracted with a third party to initiate and enforce,
31 the labor compliance program described in subdivision (a).

32 (2) (A) If an awarding body described in subdivision (a) is a
33 school district, the governing body of that district shall transmit
34 to the State Allocation Board, in the manner determined by that
35 board, a copy of the finding described in paragraph (1).

36 (B) The State Allocation Board shall not release the funds
37 described in subdivision (a) to an awarding body that is a school
38 district until the State Allocation Board has received the written
39 finding described in paragraph (1).

1 (C) If the State Allocation Board conducts a postaward audit
2 procedure with respect to an award of the funds described in
3 subdivision (a) to an awarding body that is a school district, the
4 State Allocation Board shall verify, in the manner determined by
5 that board, that the school district has complied with the
6 requirements of this subdivision.

7 (3) If an awarding body described in subdivision (a) is a
8 community college district, the Chancellor of the California State
9 University, or the office of the President of the University of
10 California or any campus of the University of California, that
11 awarding body shall transmit, in the manner determined by the
12 Director of the Department of Industrial Relations, a copy of the
13 finding described in paragraph (1) to the director of that
14 department, or the director of any successor agency that is
15 responsible for the oversight of employee wage and employee
16 work hours laws.

17 (e) Notwithstanding Section 17070.63 of the Education Code,
18 for purposes of this act, the State Allocation Board shall increase
19 the grant amounts as described in Chapter 12.5 (commencing with
20 Section 17070.10) of Part 10 of Division 1 of Title 1 of the
21 Education Code to accommodate the state's share of the increased
22 costs of a new construction or modernization project due to the
23 initiation and enforcement of the labor compliance program.

24 (f) This section shall not apply to a contract awarded on or after
25 the latter of the effective date of regulations adopted by the
26 Department of Industrial Relations pursuant to paragraph (2) of
27 subdivision (b) of Section 1771.55 or the effective date of the fees
28 adopted by the department pursuant to Section 1771.75.

29 SEC. 50. Section 1771.75 of the Labor Code is amended to
30 read:

31 1771.75. (a) An awarding body that chooses to use funds
32 derived from either the Kindergarten-University Public Education
33 Facilities Bond Act of 2002 or the Kindergarten-University Public
34 Education Facilities Bond Act of 2004 for a public works project,
35 shall pay a fee to the Department of Industrial Relations, in an
36 amount that the department shall establish, and as it may from time
37 to time amend, in an amount not to exceed one-fourth of 1 percent
38 of the bond proceeds, sufficient to support the department's costs
39 in ensuring compliance with and enforcing prevailing wage
40 requirements on the project, and labor compliance enforcement as

1 set forth in subdivision (b) of Section 1771.55. All fees collected
2 pursuant to this subdivision shall be deposited in the State Public
3 Works Enforcement Fund created by Section 1771.3, and shall be
4 used only for enforcement of prevailing wage requirements on
5 those projects. The department may waive the fee set forth in this
6 section for an awarding body that has previously been granted
7 approval by the director to initiate and operate a labor compliance
8 program on the awarding body's projects, and requests to continue
9 to operate that labor compliance program on its projects in lieu of
10 labor compliance by the department pursuant to subdivision (b)
11 of Section 1771.55. This fee shall not be waived for an awarding
12 body that contracts with a third party to initiate and enforce labor
13 compliance programs on the awarding body's projects.

14 (b) This section applies to public works that commence on or
15 after April 1, 2003. For purposes of this subdivision, work
16 performed during the design and preconstruction phases of
17 construction, including, but not limited to, inspection and land
18 surveying work, does not constitute the commencement of a public
19 work.

20 (c) (1) For purposes of this section, if any campus of the
21 California State University chooses to use the funds described in
22 subdivision (a), then the awarding body is the Chancellor of the
23 California State University and the chancellor is required by
24 subdivision (a) to pay a fee to the Department of Industrial
25 Relations.

26 (2) For purposes of this subdivision, if an awarding body
27 described in subdivision (a) is the University of California or any
28 campus of that university, and that awarding body is required by
29 subdivision (a) to pay a fee to the Department of Industrial
30 Relations, then the university shall review the payroll records on
31 at least a monthly basis to ensure the university's compliance with
32 prevailing wage obligations.

33 (d) The State Allocation Board shall notify the Department of
34 Industrial Relations of awarding bodies that are awarded funds
35 subject to the fee required by subdivision (a).

36 (e) Notwithstanding Section 17070.63 of the Education Code,
37 for purposes of this section, the State Allocation Board shall
38 increase the grant amounts as described in Chapter 12.5
39 (commencing with Section 17070.10) of Part 10 of Division 1 of
40 Title 1 of the Education Code to accommodate the state's share of

1 the increased costs of a new construction or modernization project
2 due to the fee required to be paid to the Department of Industrial
3 Relations to ensure compliance with and enforcement of prevailing
4 wage laws on the project. The State Allocation Board shall pay
5 the fee to the Department of Industrial Relations at the time bond
6 funds are released to the awarding body. All fees collected pursuant
7 to this subdivision shall be deposited in the State Public Works
8 Enforcement Fund created by Section 1771.3.

9 (f) This section shall only apply to a contract awarded on or
10 after both the effective date of the department's adoption of the
11 fee set forth in subdivision (a) and of regulations pursuant to
12 paragraph (2) of subdivision (b) of Section 1771.55.

13 SEC. 51. Section 1771.8 of the Labor Code is amended to read:

14 1771.8. (a) The body awarding any contract for a public works
15 project financed in any part with funds made available by the Water
16 Security, Clean Drinking Water, Coastal and Beach Protection Act
17 of 2002 (Division 26.5 (commencing with Section 79500) of the
18 Water Code) shall adopt and enforce, or contract with a third party
19 to adopt and enforce, a labor compliance program pursuant to
20 subdivision (b) of Section 1771.5 for application to that public
21 works project.

22 (b) This section shall become operative only if the Water
23 Security, Clean Drinking Water, Coastal and Beach Protection Act
24 of 2002 (Division 26.5 (commencing with Section 79500) of the
25 Water Code) is approved by the voters at the November 5, 2002,
26 statewide general election.

27 (c) This section shall not apply to a contract awarded on or after
28 the latter of the effective date of the regulations adopted by the
29 Department of Industrial Relations pursuant to paragraph (2) of
30 subdivision (b) of Section 1771.55 or the effective date of the fees
31 adopted by the department pursuant to Section 1771.85.

32 SEC. 52. Section 1777.5 of the Labor Code is amended to read:

33 1777.5. (a) Nothing in this chapter shall prevent the
34 employment of properly registered apprentices upon public works.

35 (b) Every apprentice employed upon public works shall be paid
36 the prevailing rate of per diem wages for apprentices in the trade
37 to which he or she is registered and shall be employed only at the
38 work of the craft or trade to which he or she is registered.

39 (c) Only apprentices, as defined in Section 3077, who are in
40 training under apprenticeship standards that have been approved

1 by the Chief of the Division of Apprenticeship Standards and who
2 are parties to written apprentice agreements under Chapter 4
3 (commencing with Section 3070) of Division 3 are eligible to be
4 employed at the apprentice wage rate on public works. The
5 employment and training of each apprentice shall be in accordance
6 with either of the following:

7 (1) The apprenticeship standards and apprentice agreements
8 under which he or she is training.

9 (2) The rules and regulations of the California Apprenticeship
10 Council.

11 (d) When the contractor to whom the contract is awarded by
12 the state or any political subdivision, in performing any of the
13 work under the contract, employs workers in any apprenticeable
14 craft or trade, the contractor shall employ apprentices in at least
15 the ratio set forth in this section and may apply to any
16 apprenticeship program in the craft or trade that can provide
17 apprentices to the site of the public work for a certificate approving
18 the contractor under the apprenticeship standards for the
19 employment and training of apprentices in the area or industry
20 affected. However, the decision of the apprenticeship program to
21 approve or deny a certificate shall be subject to review by the
22 Administrator of Apprenticeship. The apprenticeship program or
23 programs, upon approving the contractor, shall arrange for the
24 dispatch of apprentices to the contractor. A contractor covered by
25 an apprenticeship program's standards shall not be required to
26 submit any additional application in order to include additional
27 public works contracts under that program. "Apprenticeable craft
28 or trade," as used in this section, means a craft or trade determined
29 as an apprenticeable occupation in accordance with rules and
30 regulations prescribed by the California Apprenticeship Council.
31 As used in this section, "contractor" includes any subcontractor
32 under a contractor who performs any public works not excluded
33 by subdivision (o).

34 (e) Prior to commencing work on a contract for public works,
35 every contractor shall submit contract award information to an
36 applicable apprenticeship program that can supply apprentices to
37 the site of the public work. The information submitted shall include
38 an estimate of journeyman hours to be performed under the
39 contract, the number of apprentices proposed to be employed, and
40 the approximate dates the apprentices would be employed. A copy

1 of this information shall also be submitted to the awarding body
2 if requested by the awarding body. Within 60 days after concluding
3 work on the contract, each contractor and subcontractor shall
4 submit to the awarding body, if requested, and to the apprenticeship
5 program a verified statement of the journeyman and apprentice
6 hours performed on the contract. The information under this
7 subdivision shall be public. The apprenticeship programs shall
8 retain this information for 12 months.

9 (f) The apprenticeship program that can supply apprentices to
10 the area of the site of the public work shall ensure equal
11 employment and affirmative action in apprenticeship for women
12 and minorities.

13 (g) The ratio of work performed by apprentices to journeymen
14 employed in a particular craft or trade on the public work may be
15 no higher than the ratio stipulated in the apprenticeship standards
16 under which the apprenticeship program operates where the
17 contractor agrees to be bound by those standards, but, except as
18 otherwise provided in this section, in no case shall the ratio be less
19 than one hour of apprentice work for every five hours of
20 journeyman work.

21 (h) This ratio of apprentice work to journeyman work shall
22 apply during any day or portion of a day when any journeyman is
23 employed at the jobsite and shall be computed on the basis of the
24 hours worked during the day by journeymen so employed. Any
25 work performed by a journeyman in excess of eight hours per day
26 or 40 hours per week shall not be used to calculate the ratio. The
27 contractor shall employ apprentices for the number of hours
28 computed as above before the end of the contract or, in the case
29 of a subcontractor, before the end of the subcontract. However,
30 the contractor shall endeavor, to the greatest extent possible, to
31 employ apprentices during the same time period that the
32 journeymen in the same craft or trade are employed at the jobsite.
33 Where an hourly apprenticeship ratio is not feasible for a particular
34 craft or trade, the Chief of the Division of Apprenticeship
35 Standards, upon application of an apprenticeship program, may
36 order a minimum ratio of not less than one apprentice for each five
37 journeymen in a craft or trade classification.

38 (i) A contractor covered by this section that has agreed to be
39 covered by an apprenticeship program's standards upon the
40 issuance of the approval certificate, or that has been previously

1 approved for an apprenticeship program in the craft or trade, shall
2 employ the number of apprentices or the ratio of apprentices to
3 journeymen stipulated in the applicable apprenticeship standards,
4 but in no event less than the 1-to-5 ratio required by subdivision
5 (g).

6 (j) Upon proper showing by a contractor that he or she employs
7 apprentices in a particular craft or trade in the state on all of his
8 or her contracts on an annual average of not less than one hour of
9 apprentice work for every five hours of labor performed by
10 journeymen, the Chief of the Division of Apprenticeship Standards
11 may grant a certificate exempting the contractor from the 1-to-5
12 hourly ratio, as set forth in this section for that craft or trade.

13 (k) An apprenticeship program has the discretion to grant to a
14 participating contractor or contractor association a certificate,
15 which shall be subject to the approval of the Administrator of
16 Apprenticeship, exempting the contractor from the 1-to-5 ratio set
17 forth in this section when it finds that any one of the following
18 conditions is met:

19 (1) Unemployment for the previous three-month period in the
20 area exceeds an average of 15 percent.

21 (2) The number of apprentices in training in the area exceeds a
22 ratio of 1 to 5.

23 (3) There is a showing that the apprenticeable craft or trade is
24 replacing at least one-thirtieth of its journeymen annually through
25 apprenticeship training, either on a statewide basis or on a local
26 basis.

27 (4) Assignment of an apprentice to any work performed under
28 a public works contract would create a condition that would
29 jeopardize his or her life or the life, safety, or property of fellow
30 employees or the public at large, or the specific task to which the
31 apprentice is to be assigned is of a nature that training cannot be
32 provided by a journeyman.

33 (l) When an exemption is granted pursuant to subdivision (k)
34 to an organization that represents contractors in a specific trade
35 from the 1-to-5 ratio on a local or statewide basis, the member
36 contractors shall not be required to submit individual applications
37 for approval to local joint apprenticeship committees, if they are
38 already covered by the local apprenticeship standards.

39 (m) (1) A contractor to whom a contract is awarded, who, in
40 performing any of the work under the contract, employs

1 journeymen or apprentices in any apprenticeable craft or trade
2 shall contribute to the California Apprenticeship Council the same
3 amount that the director determines is the prevailing amount of
4 apprenticeship training contributions in the area of the public works
5 site. A contractor may take as a credit for payments to the council
6 any amounts paid by the contractor to an approved apprenticeship
7 program that can supply apprentices to the site of the public works
8 project. The contractor may add the amount of the contributions
9 in computing his or her bid for the contract.

10 (2) At the conclusion of the 2002–03 fiscal year and each fiscal
11 year thereafter, the California Apprenticeship Council shall
12 distribute training contributions received by the council under this
13 subdivision, less the expenses of the Division of Apprenticeship
14 Standards for administering this subdivision, by making grants to
15 approved apprenticeship programs for the purpose of training
16 apprentices. The funds shall be distributed as follows:

17 (A) If there is an approved multiemployer apprenticeship
18 program serving the same craft or trade and geographic area for
19 which the training contributions were made to the council, a grant
20 to that program shall be made.

21 (B) If there are two or more approved multiemployer
22 apprenticeship programs serving the same craft or trade and
23 geographic area for which the training contributions were made
24 to the council, the grant shall be divided among those programs
25 based on the number of apprentices registered in each program.

26 (C) All training contributions not distributed under
27 subparagraphs (A) and (B) shall be used to defray the future
28 expenses of the Division of Apprenticeship Standards.

29 (3) All training contributions received pursuant to this
30 subdivision shall be deposited in the Apprenticeship Training
31 Contribution Fund, which is hereby created in the State Treasury.
32 Upon appropriation by the Legislature, all money in the
33 Apprenticeship Training Contribution Fund shall be used for the
34 purpose of carrying out this subdivision and to pay the expenses
35 of the Division of Apprenticeship Standards.

36 (n) The body awarding the contract shall cause to be inserted
37 in the contract stipulations to effectuate this section. The
38 stipulations shall fix the responsibility of compliance with this
39 section for all apprenticeable occupations with the prime contractor.

(o) This section does not apply to contracts of general contractors or to contracts of specialty contractors not bidding for work through a general or prime contractor when the contracts of general contractors or those specialty contractors involve less than thirty thousand dollars (\$30,000).

(p) All decisions of an apprenticeship program under this section are subject to Section 3081.

SEC. 53. Section 11105.8 is added to the Penal Code, to read:

11105.8. A nonprofit organization that is funded pursuant to subsection (a) of Section 3796h of Title 42 of the United States Code may be granted access to local, state, or federal criminal justice system information available to law enforcement agencies, including access to the California Law Enforcement Telecommunications System, provided that the nonprofit agency meets all other federal and state requirements for access to that information or system.

SEC. 54. Section 5164 of the Public Resources Code is amended to read:

5164. (a) (1) A county, city, city and county, or special district shall not hire a person for employment, or hire a volunteer to perform services, at a county, city, city and county, or special district operated park, playground, recreational center, or beach used for recreational purposes, in a position having supervisory or disciplinary authority over a minor, if that person has been convicted of an offense specified in paragraph (2).

(2) (A) A violation or attempted violation of Section 220, 261.5, 262, 273a, 273d, or 273.5 of the Penal Code, or a sex offense listed in Section 290 of the Penal Code, except for the offense specified in subdivision (d) of Section 243.4 of the Penal Code.

(B) A felony or misdemeanor conviction specified in subparagraph (C) within 10 years of the date of the employer's request.

(C) A felony conviction that is over 10 years old, if the subject of the request was incarcerated within 10 years of the employer's request, for a violation or attempted violation of an offense specified in Chapter 3 (commencing with Section 207) of Title 8 of Part 1 of the Penal Code, Section 211 or 215 of the Penal Code, wherein it is charged and proved that the defendant personally used a deadly or dangerous weapon, as provided in subdivision (b) of Section 12022 of the Penal Code, in the commission of that

1 offense, Section 217.1 of the Penal Code, Section 236 of the Penal
2 Code, an offense specified in Chapter 9 (commencing with Section
3 240) of Title 8 of Part 1 of the Penal Code, or an offense specified
4 in subdivision (c) of Section 667.5 of the Penal Code, provided
5 that a record of a misdemeanor conviction shall not be transmitted
6 to the requester unless the subject of the request has a total of three
7 or more misdemeanor convictions, or a combined total of three or
8 more misdemeanor and felony convictions, for violations listed in
9 this section within the 10-year period immediately preceding the
10 employer's request or has been incarcerated for any of those
11 convictions within the preceding 10 years.

12 (b) (1) To give effect to this section, a county, city, city and
13 county, or special district shall require each such prospective
14 employee or volunteer to complete an application that inquires as
15 to whether or not that individual has been convicted of an offense
16 specified in subdivision (a). The county, city, city and county, or
17 special district shall screen, pursuant to Section 11105.3 of the
18 Penal Code, any such prospective employee or volunteer, having
19 supervisory or disciplinary authority over a minor, for that person's
20 criminal background.

21 (2) A local agency request for Department of Justice records
22 pursuant to this subdivision shall include the prospective
23 employee's or volunteer's fingerprints, which may be taken by the
24 local agency, and any other data specified by the Department of
25 Justice. The request shall be made on a form approved by the
26 Department of Justice. A fee shall not be charged to the local
27 agency for requesting the records of a prospective volunteer
28 pursuant to this subdivision.

29 (3) A county, city, city and county, or special district may charge
30 a prospective employee or volunteer described in subdivision (a)
31 a fee to cover all of the county, city, city and county, or special
32 district's costs attributable to the requirements imposed by this
33 section.

34 SEC. 55. Section 11006 of the Revenue and Taxation Code is
35 amended to read:

36 11006. (a) Commencing on December 31, 2001, the Controller,
37 in consultation with the Department of Motor Vehicles and the
38 Department of Finance, shall recalculate the distribution of the
39 amount of motor vehicle license fees paid by commercial vehicles

1 that are subject to Section 9400.1 of the Vehicle Code and transfer
2 the following sums from the General Fund in the following order:

3 (1) An amount sufficient to cover all allocations and interception
4 of funds associated with all pledges, liens, encumbrances and
5 priorities as set forth in Section 25350.6 of the Government Code,
6 which shall be transferred so as to pay that allocation.

7 (2) An amount sufficient to continue allocations to the State
8 Treasury to the credit of the Vehicle License Fee Account of the
9 Local Revenue Fund, as established pursuant to Section 17600 of
10 the Welfare and Institutions Code, which would be in the same
11 amount had the amendments made by the act that added this section
12 to Section 10752 of the Revenue and Taxation Code not been
13 enacted, which shall be deposited in the State Treasury to the credit
14 of the Vehicle License Fee Account of the Local Revenue Fund,
15 as established pursuant to Section 17600 of the Welfare and
16 Institutions Code. This paragraph shall be inoperative commencing
17 with the 2010–11 fiscal year.

18 (3) An amount sufficient to continue allocations to the State
19 Treasury to the credit of the Vehicle License Fee Growth Account
20 of the Local Revenue Fund, as established pursuant to Section
21 17600 of the Welfare and Institutions Code, which would be in
22 the same amount had the amendments made by the act that added
23 this section to Section 10752 of the Revenue and Taxation Code
24 not been enacted, which shall be deposited in the State Treasury
25 to the credit of the Vehicle License Fee Growth Account of the
26 Local Revenue Fund, as established pursuant to Section 17600 of
27 the Welfare and Institutions Code.

28 (4) An amount sufficient to cover all allocations and interception
29 of funds associated with all pledges, liens, encumbrances and
30 priorities, other than those referred to in paragraph (1), as set forth
31 in Section 25350 and following of, Section 53584 and following
32 of, 5450 and following of, the Government Code, which shall be
33 transferred so as to pay those allocations.

34 (b) The balance of any funds not otherwise allocated pursuant
35 to subdivision (a) shall continue to be deposited to the credit of
36 the Motor Vehicle License Fee Account in the Transportation Tax
37 Fund and allocated to each city, county, and city and county as
38 otherwise provided by law.

39 (c) In enacting paragraphs (1) and (4) of subdivision (a), the
40 Legislature declares that paragraphs (1) and (4) of subdivision (a),

1 shall not be construed to obligate the State of California to make
2 any payment to a city, city and county, or county from the Motor
3 Vehicle License Fee Account in the Transportation Tax Fund in
4 any amount or pursuant to any particular allocation formula, or to
5 make any other payment to a city, city and county, or county,
6 including, but not limited to, any payment in satisfaction of any
7 debt or liability incurred or so guaranteed if the State of California
8 had not so bound itself prior to the enactment of this section.

9 (d) Notwithstanding subdivisions (a) and (b), on and after July
10 1, 2010, that amount equal to the amount that would have been
11 transferred pursuant to paragraph (2) of subdivision (a) had the
12 act adding this subdivision not been enacted, shall not be
13 transferred from the General Fund.

14 SEC. 56. Section 19558 of the Revenue and Taxation Code is
15 amended to read:

16 19558. (a) Subject to the limitations of this section and federal
17 law, the Franchise Tax Board may provide the Public Employees'
18 Retirement System with the names and addresses or other
19 identification or location information from income tax returns or
20 other records required under Part 10 (commencing with Section
21 17001) or this part, for both of the following:

22 (1) Solely for the purposes of disbursing unclaimed benefits
23 pursuant to Chapter 13 (commencing with Section 21250) and
24 Chapter 14 (commencing with Section 21490) of Part 3 of Division
25 5 of Title 2 of the Government Code and distributing member
26 statements on an annual basis.

27 (2) Until June 30, 2016, solely for the purpose of filing required
28 data pursuant to the Early Retiree Reinsurance Program (Sec. 1102,
29 Public Law 111-148; 42 U.S.C. Sec. 18002), Part 149 of Title 45
30 of the Code of Federal Regulations, and related departmental
31 directives.

32 (b) Neither the Public Employees' Retirement System, nor its
33 agents, nor any of its current or former officers or employees, shall
34 disclose or use any information obtained pursuant to this section
35 except as provided in this section. Any disclosure not authorized
36 by this section is a misdemeanor.

37 (c) The Franchise Tax Board may from time to time review the
38 use of information provided to the Public Employees' Retirement
39 System pursuant to this section and the Public Employees'
40 Retirement System shall provide the Franchise Tax Board with

1 access for that purpose. The reviews shall be limited to ensuring
2 that the Public Employees' Retirement System uses the information
3 provided by the Franchise Tax Board only in the manner specified
4 in subdivision (a). The Franchise Tax Board shall report all findings
5 to the Public Employees' Retirement System.

6 SEC. 57. Section 1088 of the Unemployment Insurance Code
7 is amended to read:

8 1088. (a) (1) Each employer shall file with the director within
9 the time required by subdivision (a) or (d) of Section 1110 for
10 payment of employer contributions, a report of contributions, a
11 quarterly return, and a report of wages paid to his or her workers
12 in the form and containing any information as the director
13 prescribes. An electronic funds transfer of contributions pursuant
14 to subdivision (f) of Section 1110 shall satisfy the requirement for
15 a report of contributions. The quarterly return shall include the
16 total amount of wages, employer contributions required under
17 Sections 976 and 976.6, worker contributions required under
18 Section 984, the amounts required to be withheld under Section
19 13020, or withheld under Section 13028, and any other information
20 as the director shall prescribe. The report of wages shall include
21 individual amounts required to be withheld under Section 13020
22 or withheld under Section 13028.

23 (2) (A) In order to enhance efforts to reduce tax fraud and to
24 reduce the personal income tax reporting burden, effective January
25 1, 1997, the report of wages shall also include the full first name
26 of the employee and total wages, as defined in Section 13009, paid
27 to each employee. This paragraph shall apply to reports of wages
28 for all periods ending on or before December 31, 1999.

29 (B) For all periods beginning on or after January 1, 2000, the
30 report of wages shall also include total wages subject to personal
31 income tax, as defined in Section 13009.5, paid to each employee.

32 (b) Each employer shall file with the director within the time
33 required by subdivision (b) or (d) of Section 1110 for payment of
34 worker contributions, a report of contributions containing the
35 employer's business name, address, and account number, the total
36 amount of worker contributions due, and any other information as
37 the director shall prescribe. The director shall prescribe the form
38 for the report of contributions. An electronic funds transfer of
39 contributions pursuant to subdivision (f) of Section 1110 shall
40 satisfy the requirement for a report of contributions.

1 (c) In addition to the report of contributions, quarterly return,
2 and report of wages required by employers under subdivision (a),
3 an individual who has elected coverage under subdivision (a) of
4 Section 708 is also required to file a separate report of
5 contributions, and quarterly return, subject to Part 2 (commencing
6 with Section 2601).

7 (d) Any employer making an election under subdivision (d) of
8 Section 1110 shall submit the report of wages described in
9 subdivision (a), within the time required for submitting employer
10 contributions under subdivision (a) of Section 1110.

11 (e) (1) In addition to the report of contributions, quarterly return,
12 and report of wages described in subdivision (a), each employer
13 shall file with the director an annual reconciliation return showing
14 the total amount of wages, employer contributions required under
15 Sections 976 and 976.6, worker contributions required under
16 Section 984, the amounts required to be withheld under Section
17 13020 or withheld under Section 13028, and any other information
18 as the director shall prescribe. This annual reconciliation return
19 shall be due on the first day of January following the close of the
20 prior calendar year and shall become delinquent if not filed on or
21 before the last day of that month.

22 (2) This subdivision shall not apply to individuals electing
23 coverage under Section 708 or 708.5 or employers electing
24 financing under Section 821.

25 (3) The requirement to file the annual reconciliation return for
26 the prior calendar year under this subdivision shall not apply to
27 the 2012 calendar year and thereafter.

28 (f) For purposes of making a report of wages under subdivision
29 (a), employers who are required under Section 6011 of the Internal
30 Revenue Code and authorized regulations thereunder to file
31 magnetic media returns, shall, within 90 days of becoming subject
32 to this requirement, do one of the following:

33 (1) Submit a magnetic media format to the department for
34 approval, and upon receiving approval from the department, submit
35 any subsequent reports of wages on magnetic media.

36 (2) Establish to the satisfaction of the director that there is a
37 lack of automation, a severe economic hardship, a current
38 exemption from submitting magnetic media information returns
39 for federal purposes, or other good cause for not complying with

1 the provisions of this subdivision. Approved waivers shall be valid
2 for six months or longer, at the discretion of the director.

3 (g) The Franchise Tax Board shall be allowed access to the
4 information filed with the department pursuant to this section.

5 (h) The requirement in subdivision (a) to file a quarterly return
6 shall begin with the first calendar quarter of the 2011 calendar
7 year.

8 SEC. 58. Section 1112.5 of the Unemployment Insurance Code
9 is amended to read:

10 1112.5. (a) Any employer who without good cause fails to file
11 the return and reports required by subdivision (a) of Section 1088
12 and subdivision (a) of Section 13021 within 60 days of the time
13 required under subdivision (a) of Section 1110 shall pay a penalty
14 of 10 percent of the amount of contributions and personal income
15 tax withholding required by this report. This penalty shall be in
16 addition to the penalties required by Sections 1112 and 1126.

17 (b) For purposes of subdivision (a), the amount of contributions
18 and personal income tax required by the report of contributions
19 shall be reduced by the amount of any contributions and personal
20 income tax paid on or before the prescribed payment dates.

21 SEC. 59. Section 1113.1 of the Unemployment Insurance Code
22 is amended to read:

23 1113.1. An employer who, through an error caused by
24 excusable neglect, makes an underpayment of the amount due on
25 a report of contributions pursuant to subdivision (b) of Section
26 1088 shall not be liable for penalty or interest under Sections 1112,
27 1113, 1127 or 1129 if proper adjustment is made at the time of the
28 filing of the quarterly report of contributions and quarterly return,
29 for the same calendar quarter under subdivision (a) of Section 1088
30 and an explanation of the error is attached to the report or return.

31 SEC. 60. Section 1275 of the Unemployment Insurance Code
32 is amended to read:

33 1275. (a) Unemployment compensation benefit award
34 computations shall be based on wages paid in the base period.
35 "Base period" means: for benefit years beginning in October,
36 November, or December, the four calendar quarters ended in the
37 next preceding month of June; for benefit years beginning in
38 January, February, or March, the four calendar quarters ended in
39 the next preceding month of September; for benefit years beginning
40 in April, May, or June, the four calendar quarters ended in the next

1 preceding month of December; for benefit years beginning in July,
2 August, or September, the four calendar quarters ended with the
3 next preceding month of March. Wages used in the determination
4 of benefits payable to an individual during any benefit year may
5 not be used in determining that individual's benefits in any
6 subsequent benefit year.

7 (b) For any new claim filed on or after September 3, 2011, or
8 earlier if the department implements the technical changes
9 necessary to establish claims under the alternate base period, as
10 specified in subdivision (c), if an individual cannot establish a
11 claim under subdivision (a), then "base period" means: for benefit
12 years beginning in October, November, or December, the four
13 calendar quarters ended in the next preceding month of September;
14 for benefit years beginning in January, February, or March, the
15 four calendar quarters ended in the next preceding month of
16 December; for benefit years beginning in April, May, or June, the
17 four calendar quarters ended in the next preceding month of March;
18 for benefit years beginning in July, August, or September, the four
19 calendar quarters ended in the next preceding month of June. As
20 provided in Section 1280, the quarter with the highest wages shall
21 be used to determine the individual's weekly benefit amount.
22 Wages used in the determination of benefits payable to an
23 individual during any benefit year may not be used in determining
24 that individual's benefits in any subsequent benefit year.

25 (c) The department shall implement the technical changes
26 necessary to establish claims under the alternate base period
27 specified in subdivision (b) as soon as possible, but no later than
28 September 3, 2011.

29 SEC. 61. Article 9 (commencing with Section 1900) is added
30 to Chapter 7 of Part 1 of Division 1 of the Unemployment
31 Insurance Code, to read:

32
33 Article 9. Penalty Assessments
34

35 1900. (a) (1) Notwithstanding any other law, the Department
36 of Industrial Relations may enter into an agreement with the
37 department that provides for the transfer of all or part of the
38 responsibility from the Department of Industrial Relations, or any
39 office or division within that department, to the department for the
40 collection of penalty assessments including, but not limited to,

1 delinquent fees, wages, penalties, judgments, assessments, costs,
2 citations, debts, and any interest thereon, arising out of the
3 enforcement of any law within the jurisdiction of the Department
4 of Industrial Relations or any office or division within. The
5 agreement shall specify the terms under which those items and
6 interest shall become subject to collection by the department.

7 (2) The agreement shall also prescribe a procedure for the
8 Department of Industrial Relations to reimburse the department
9 for the costs of collection, and provide that the amount of any
10 reimbursement shall not exceed the actual costs of collection,
11 including court costs and reasonable attorney's fees. Wherever
12 possible the collection costs shall be borne by the debtor.

13 (b) For amounts referred for collection under subdivision (a),
14 interest shall accrue at the adjusted annual rate and by the method
15 established pursuant to Section 685.010 of the Code of Civil
16 Procedure from and after the date of notice until paid.

17 (c) Amounts referred for collection under subdivision (a) shall
18 be treated as final liabilities and due and payable to the State of
19 California and may be collected from the debtor by the department
20 in any manner authorized under the law for collection of any
21 amount imposed under this division. Any information, information
22 sources, enforcement remedies, and capabilities available to the
23 Department of Industrial Relations shall be available to the
24 department to be used in conjunction with, or independent of, the
25 information, information sources, remedies, and capabilities
26 available to the department for purposes of administering this code.

27 (d) The provisions of Article 8 (commencing with Section 1870)
28 and Section 1110.1 shall not apply to amounts referred for
29 collection under subdivision (a).

30 SEC. 62. Section 13021 of the Unemployment Insurance Code
31 is amended to read:

32 13021. (a) Every employer required to withhold any tax under
33 Section 13020 shall for each calendar quarter, whether or not wages
34 or payments are paid in the quarter, file a withholding report, a
35 quarterly return, as prescribed in subdivision (a) of Section 1088,
36 and a report of wages in a form prescribed by the department, and
37 pay over the taxes so required to be withheld. The report of wages
38 shall include individual amounts required to be withheld under
39 Section 13020 or withheld under Section 13028. Except as provided
40 in subdivisions (c) and (d), the employer shall file a withholding

report, a quarterly return, as prescribed in subdivision (a) of Section 1088, and a report of wages, and remit the total amount of income taxes withheld during the calendar quarter on or before the last day of the month following the close of the calendar quarter.

(b) Every employer electing to file a single annual return under subdivision (d) of Section 1110 shall report and pay any taxes withheld under Section 13020 on an annual basis within the time specified in subdivision (d) of Section 1110.

(c) (1) Effective January 1, 1995, whenever an employer is required, for federal income tax purposes, to remit the total amount of withheld federal income tax in accordance with Section 6302 of the Internal Revenue Code and regulations thereunder, and the accumulated amount of state income tax withheld is more than five hundred dollars (\$500), the employer shall remit the total amount of income tax withheld for state income tax purposes within the number of banking days as specified for withheld federal income taxes by Section 6302 of the Internal Revenue Code, and regulations thereunder.

(2) Effective January 1, 1996, the five hundred dollar (\$500) amount referred to in paragraph (1) shall be adjusted annually as follows, based on the annual average rate of interest earned on the Pooled Money Investment Fund as of June 30 in the prior fiscal year:

Average Rate of Interest

Greater than or equal to 9 percent:	\$ 75
Less than 9 percent, but greater than or equal to 7 percent:	250
Less than 7 percent, but greater than or equal to 4 percent:	400
Less than 4 percent:	500

(d) (1) Notwithstanding subdivisions (a) and (c), for calendar years beginning prior to January 1, 1995, if in the 12-month period ending June 30 of the prior year the cumulative average payment made pursuant to this division or Section 1110, for eight-month periods, as defined under Section 6302 of the Internal Revenue Code and regulations thereunder, was fifty thousand dollars (\$50,000) or more, the employer shall remit the total amount of income tax withheld within three banking days following the close

1 of each eight-month period, as defined by Section 6302 of the
2 Internal Revenue Code and regulations thereunder. For purposes
3 of this subdivision, payment shall be made by electronic funds
4 transfer in accordance with Section 13021.5, for one calendar year
5 beginning on January 1. Payment is deemed complete on the date
6 the electronic funds transfer is initiated if settlement to the state's
7 demand account occurs on or before the banking day following
8 the date the transfer is initiated. If settlement to the state's demand
9 account does not occur on or before the banking day following the
10 date the transfer is initiated, payment is deemed complete on the
11 date settlement occurs. The department shall, on or before October
12 31 of the prior year, notify all employers required to make payment
13 by electronic funds transfer of these requirements.

14 (2) Notwithstanding subdivisions (a) and (c), for calendar years
15 beginning on or after January 1, 1995, if in the 12-month period
16 ending June 30 of the prior year, the cumulative average payment
17 made pursuant to this division or Section 1110 for any deposit
18 periods, as defined under Section 6302 of the Internal Revenue
19 Code and regulations thereunder, was twenty thousand dollars
20 (\$20,000) or more, the employer shall remit the total amount of
21 income tax withheld within the number of banking days as
22 specified for federal income taxes by Section 6302 of the Internal
23 Revenue Code and regulations thereunder. For purposes of this
24 subdivision, payment shall be made by electronic funds transfer
25 in accordance with Section 13021.5, for one calendar year
26 beginning on January 1. Payment is deemed complete on the date
27 the electronic funds transfer is initiated if settlement to the state's
28 demand account occurs on or before the banking day following
29 the date the transfer is initiated. If settlement to the state's demand
30 account does not occur on or before the banking day following the
31 date the transfer is initiated, payment is deemed complete on the
32 date settlement occurs. The department shall, on or before October
33 31 of the prior year, notify all employers required by this paragraph
34 to make payments by electronic funds transfer of these
35 requirements.

36 (3) Notwithstanding paragraph (2), effective January 1, 1995,
37 electronic funds transfer payments that are subject to the one-day
38 deposit rule, as defined by Section 6302 of the Internal Revenue
39 Code and regulations thereunder, shall be deemed timely if the
40 payment settles to the state's demand account within three banking

1 days after the date the employer meets the threshold for the one-day
2 deposit rule.

3 (4) Any taxpayer required to remit payments pursuant to
4 paragraphs (1) and (2) may request from the department a waiver
5 of those requirements. The department may grant a waiver only if
6 it determines that the particular amounts paid in excess of fifty
7 thousand dollars (\$50,000) or twenty thousand dollars (\$20,000),
8 as stated in paragraphs (1) and (2), respectively, were the result of
9 an unprecedented occurrence for that employer, and were not
10 representative of the employer's cumulative average payment in
11 prior years.

12 (5) Any state agency required to remit payments pursuant to
13 paragraphs (1) and (2) may request a waiver of those requirements
14 from the department. The department may grant a waiver if it
15 determines that there will not be a negative impact on the interest
16 earnings of the General Fund. If there is a negative impact to the
17 General Fund, the department may grant a waiver if the requesting
18 state agency follows procedures designated by the department to
19 mitigate the impact to the General Fund.

20 (e) Any employer not required to make payment pursuant to
21 subdivision (d) of this section may elect to make payment by
22 electronic funds transfer in accordance with Section 13021.5 under
23 the following conditions:

24 (1) The election shall be made in a form, and shall contain
25 information, as prescribed by the director, and shall be subject to
26 approval by the department.

27 (2) If approved, the election shall be effective on the date
28 specified in the notification to the employer of approval.

29 (3) The election shall be operative from the date specified in
30 the notification of approval, and shall continue in effect until
31 terminated by the employer or the department.

32 (4) Funds remitted by electronic funds transfer pursuant to this
33 subdivision shall be deemed complete in accordance with
34 subdivision (d) or as deemed appropriate by the director to
35 encourage use of this payment method.

36 (f) Notwithstanding Section 1112, no interest or penalties shall
37 be assessed against any employer who remits at least 95 percent
38 of the amount required by subdivision (c) or (d) if the failure to
39 remit the full amount is not willful and any remaining amount due
40 is paid with the next payment. The director may allow any

1 employer to submit the amounts due from multiple locations upon
2 a showing that those submissions are necessary to comply with
3 subdivision (c) or (d).

4 (g) The department may, if it believes that action is necessary,
5 require any employer to make the report or return required by this
6 section and pay to it the tax deducted and withheld at any time, or
7 from time to time but no less frequently than provided for in
8 subdivision (a).

9 (h) Any employer required to withhold any tax and who is not
10 required to make payment under subdivision (c) shall remit the
11 total amount of income tax withheld during each month of each
12 calendar quarter, on or before the 15th day of the subsequent month
13 if the income tax withheld for any of the three months or,
14 cumulatively for two or more months, is three hundred fifty dollars
15 (\$350) or more.

16 (i) For purposes of subdivisions (a), (c), and (h), payment is
17 deemed complete when it is placed in a properly addressed
18 envelope, bearing the correct postage, and it is deposited in the
19 United States mail.

20 (j) (1) In addition to the withholding report, quarterly return,
21 and report of wages described in subdivision (a), each employer
22 shall file with the director an annual reconciliation return showing
23 the amount required to be withheld under Section 13020, and any
24 other information the director shall prescribe. This annual
25 reconciliation return shall be due on the first day of January
26 following the close of the prior calendar year and shall become
27 delinquent if not filed on or before the last day of that month.

28 (2) The requirement to file the annual reconciliation return for
29 the prior calendar year under this subdivision shall not apply to
30 the 2012 calendar year and thereafter.

31 (k) The requirement in subdivision (a) to file a quarterly return
32 shall begin with the first calendar quarter of the 2011 calendar
33 year.

34 SEC. 63. Section 13050 of the Unemployment Insurance Code
35 is amended to read:

36 13050. (a) Every employer or person required to deduct and
37 withhold from an employee a tax under Section 986, 3260, or
38 13020, or who would have been required to deduct and withhold
39 a tax under Section 13020 (determined without regard to Section
40 13025) if the employee had claimed no more than one withholding

1 exemption, shall furnish to each employee in respect of the
2 remuneration paid by the person to the employee during the
3 calendar year, on or before January 31 of the succeeding year, or,
4 if his or her employment is terminated before the close of the
5 calendar year, on the day on which the last payment of
6 remuneration is made, a written statement showing all of the
7 following:

8 (1) The name of the person.

9 (2) The name of the employee, and his or her social security or
10 identifying number if wages have been paid.

11 (3) The total amount of wages subject to personal income tax,
12 as defined by Section 13009.5.

13 (4) The total amount deducted and withheld as tax under Section
14 13020.

15 (5) The total amount of worker contributions paid by the
16 employee pursuant to Section 986.

17 (6) The total amount of worker contributions paid by the
18 employee pursuant to Section 3260.

19 (7) The total amount of elective deferrals (within the meaning
20 of Section 402(g)(3) of the Internal Revenue Code) and
21 compensation deferred pursuant to Section 457 of the Internal
22 Revenue Code.

23 (b) The statement required to be furnished pursuant to this
24 section in respect of any remuneration shall be furnished at other
25 times, shall contain other information, and shall be in a form, as
26 the department may by authorized regulations prescribe.

27 (c) If, during any calendar year, any person makes a payment
28 of third-party sick pay to an employee, that person shall, on or
29 before January 15 of the succeeding year, furnish a written
30 statement to the employer in respect of whom the payment was
31 made showing all of the following:

32 (1) The name and, if there is withholding under this division,
33 the social security number of that employee.

34 (2) The total amount of the third-party sick pay paid to that
35 employee during the calendar year.

36 (3) The total amount, if any, deducted and withheld from that
37 sick pay under this division. For purposes of the preceding
38 sentence, the term “third-party sick pay” means any sick pay, as
39 defined in subdivision (b) of Section 13028.6, which does not

1 constitute wages for purposes of this division, determined without
2 regard to subdivision (a) of Section 13028.6.

3 (A) For purposes of Chapter 10 (commencing with Section
4 2101) of Part 1 of Division 1, the statements required to be
5 furnished by this subdivision shall be treated as statements required
6 under this section to be furnished to employees.

7 (B) Every employer who receives a statement under this
8 subdivision with respect to sick pay paid to any employee during
9 any calendar year shall, on or before January 31 of the succeeding
10 year, furnish a written statement to that employee showing all of
11 the information shown on the statement furnished under this
12 subdivision.

13 (d) The Franchise Tax Board shall be allowed access to the
14 information filed with the department pursuant to this section.

15 SEC. 64. Section 1673.2 of the Vehicle Code is amended to
16 read:

17 1673.2. (a) The department, in coordination with the
18 Department of Finance, shall do all of the following:

19 (1) Search its records to identify the registered owner or lessee.
20 Except as required under Section 1673.4, the department shall mail
21 to the registered owner or lessee a refund notification form
22 notifying the registered owner or lessee that he or she is eligible
23 for a refund of the smog impact fee. This form shall identify the
24 vehicle make and year, and include a refund claim that shall be
25 signed, under penalty of perjury, and returned to the department.

26 (2) Shall acknowledge by mail claims for refund from registered
27 owners or lessees received prior to the effective date of this section.

28 (3) Except as provided in Section 1673.4, shall verify whether
29 the information provided in any claim is true and correct and shall
30 refund the three hundred dollar (\$300) smog impact fee, plus the
31 amount of any penalty collected for late payment of the smog
32 impact fee, and any interest earned on those charges, to the person
33 shown to be the registered owner or lessee.

34 (b) Notwithstanding any other provision of law, interest shall
35 be paid on all claims at a single annual rate, calculated by the
36 Department of Finance, that averages the annualized interest rates
37 earned by the Pooled Money Investment Account for the period
38 beginning October 1990 and ending on the effective date of this
39 section. Interest on each refund shall be calculated from the date
40 the smog impact fee and vehicle registration transaction was

1 completed to the date the refund is issued. Accrual of interest shall
2 terminate one year after the effective date of this section.

3 (c) (1) Notwithstanding any other provision of law, those who
4 paid the smog impact fee between October 15, 1990, and October
5 19, 1999, may file a claim for refund.

6 (2) Claims for refund by a registered owner or lessee shall be
7 filed with the Department of Motor Vehicles within three years of
8 the effective date of this section.

9 SEC. 65. (a) The Legislature finds and declares all of the
10 following:

11 (1) The Legislature appropriated thirty million two hundred
12 eighty-three thousand dollars (\$30,283,000) in Item 0855-101-0367
13 of the Budget Act of 2007 for the purpose of providing grants to
14 local government agencies to mitigate impacts from tribal
15 government gaming.

16 (2) The Governor deleted thirty million dollars (\$30,000,000)
17 for grants to local government agencies, citing a Bureau of State
18 Audits report finding in which some local governments were not
19 using grant moneys for their sole intended purpose.

20 (3) In 2008, the Legislature passed, and the Governor signed
21 into law, Chapter 754 of the Statutes of 2008 (A.B. 158), enacting
22 several recommendations from the Bureau of State Audits to help
23 ensure grant funds be spent for their intended purpose.

24 (b) The sum of thirty million dollars (\$30,000,000) is hereby
25 appropriated from the Indian Gaming Special Distribution Fund
26 to restore funding deleted from the Budget Act of 2007 for the
27 purpose of providing grants to local government agencies pursuant
28 to Section 12715 of the Government Code. For the purpose of this
29 specific appropriation, distribution of appropriations to local
30 government agencies impacted by tribal gaming shall be in
31 accordance with the method for determining appropriations into
32 individual tribal casino accounts in effect in the 2006–07 fiscal
33 year, and based on payments made into the Indian Gaming Special
34 Distribution Fund in the 2006–07 fiscal year.

35 SEC. 66. The provisions of Section 67 this act are subject to
36 the applicable provisions of the Budget Act of 2009 (Chapter 1 of
37 the 2009–10 Third Extraordinary Session).

38 SEC. 67. Item 0820-001-3086 of Section 2.00 of the Budget
39 Act of 2009, as amended by Section 72 of Chapter 1 of the 2009–10
40 Fourth Extraordinary Session, is amended to read:

0820-001-3086—For support of Department of Justice, for
payment to Item 0820-001-0001, payable from the DNA
Identification Fund..... 45,355,000

SEC. 68. (a) The remaining funds appropriated in Item 0911-001-0001 of Section 2.00 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.) shall be available until June 30, 2012. Any funds allocated pursuant to Item 0911-001-0001 of Section 2.00 of the Budget Act of 2010 shall be available until June 30, 2013. The Director of Finance shall allocate those funds among the Citizens Redistricting Commission, the Secretary of State, and the Bureau of State Audits not sooner than the date that both of the following have occurred:

(1) The State Auditor has randomly drawn the names of eight individuals who shall serve on the Citizens Redistricting Commission pursuant to subdivision (f) of Section 8252 of the Government Code.

(2) Thirty days have elapsed since the Department of Finance has submitted to the Chairperson of the Joint Legislative Budget Committee a written notification of intent to allocate those funds, or whatever lesser time the chairperson of the joint committee may determine.

(b) In order to receive an allocation of funds under this section, the Bureau of State Audits shall submit a request with a detailed cost estimate to the Chairperson of the Joint Legislative Budget Committee and the Director of Finance. If the chairperson of the joint committee provides a written notification to the director that the requested allocation, or a lesser amount, is needed to carry out expenses of the Bureau of State Audits as set forth in the detailed cost estimate, the director shall make an allocation of funds as identified in the written notification.

SEC. 69. (a) For the purpose of this section, the following words and terms shall have the following meanings:

(1) “Bank” means the California Infrastructure and Economic Development Bank.

(2) “IID” means the Imperial Irrigation District.

(3) “IID Infrastructure Guarantee Trust Account” means the account within the California Infrastructure Guarantee Trust Fund established by this section.

(4) “Infrastructure Bank IID Guaranteed Project Bonds” means obligations of IID issued in a principal amount providing net project proceeds of up to one hundred fifty million dollars (\$150,000,000) in 2003 dollars as adjusted to their present value by the construction cost index, comprising the net of costs of issuance and the funding of a reserve account in the maximum amount provided by federal law with respect to tax exempt obligations, the net project proceeds of which are for the purpose of completing Transfer Agreement Project Improvements.

(5) “SDCWA” means the San Diego County Water Authority.

(6) “Shortfall” means, to the extent the number is negative, revenues received by IID pursuant to the transfer agreement, less the operation and maintenance costs, administrative costs, other noncapital costs related to the Transfer Agreement Project Improvements, and debt service on the Infrastructure Bank IID Guaranteed Project Bonds, not to exceed the amount due as debt service on the Infrastructure Bank IID Guaranteed Project Bonds on any payment date for those bonds and subject to offset as set forth in this section.

(7) “Transfer agreement” means that Agreement for Transfer of Conserved Water by and between IID and SDCWA dated April 29, 1998, as amended as of October 10, 2003.

(8) “Transfer Agreement Project Improvements” means projects or programs undertaken by IID for the purposes of the development of “conserved water” as that term is used in, and for the purposes of, the Quantification Settlement Agreement that was executed on October 10, 2003, that are financed with proceeds of the Infrastructure Bank IID Guaranteed Project Bonds.

(9) “Triggering event” means any of the following:

(A) Termination of the transfer agreement on or before October 3, 2048, for reasons other than set forth in subparagraph (B) or (C).

(B) A default under the transfer agreement by SDCWA resulting in a reduction in revenues payable to IID, provided that IID has assigned to the bank that portion of its payment rights under the transfer agreement sufficient for the bank to be made whole in the event recovery is obtained from the SDCWA.

(C) A court or administrative body order or other action that results in a reduction or elimination of revenues under the transfer agreement.

(b) The amount in the California Infrastructure Guarantee Trust Fund or any account in that fund on January 1, 2010, that is held for the benefit of the IID pursuant to Resolution No. 03-18, adopted by the California Infrastructure and Economic Development Bank on June 27, 2003, shall be deposited in a guarantee reserve account within the fund, which is hereby established as the IID Infrastructure Guarantee Trust Account. This amount shall also constitute the “reserve account requirement” for the account for the purposes of Section 63064 of the Government Code.

(c) The Infrastructure Bank IID Guaranteed Project Bonds shall be guaranteed by the bank, and the IID Infrastructure Guarantee Trust Account shall constitute the guarantee reserve account for the Infrastructure Bank IID Guaranteed Project Bonds as provided in Section 63063 of the Government Code. Moneys in the IID Infrastructure Guarantee Trust Account, including any amounts appropriated to this account, shall be paid for the benefit of the holders of the Infrastructure Bank IID Guaranteed Project Bonds in the amount of the shortfall upon the occurrence of all of the following: (1) a triggering event; (2) the exhaustion of the bond reserve account funded in the maximum amount provided by federal law with respect to tax exempt obligations by the Infrastructure Bank IID Guaranteed Project Bonds; and (3) funding by IID of debt service payments for 12 consecutive months. Moneys shall be transferred from the IID Infrastructure Guarantee Trust Account by the bank to the trustee for the Infrastructure Bond IID Guaranteed Project Bonds in an amount not to exceed the shortfall for the purpose of making principal or interest payments on the Infrastructure Bank IID Guaranteed Project Bonds.

(d) If a triggering event occurs and IID enters into a water transfer agreement with one or more parties, or a subsequent water transfer agreement with SDCWA, for all or any portion of the water that otherwise would have been transferred to SDCWA pursuant to the transfer agreement, IID shall apply the net revenues received under the water transfer agreement or agreements as an offset against the shortfall.

(e) The Infrastructure Bank IID Guaranteed Project Bonds shall have maturities not to exceed 30 years from the date of issuance of each series of these obligations and bear a fixed rate of interest. The Infrastructure Bank IID Guaranteed Project Bonds shall be structured with level debt service unless the board of directors of

1 the bank approves non-level debt service. The date or dates of
2 issuance shall be as determined by IID.

3 (f) The guarantee by the bank of the Infrastructure Bank IID
4 Guaranteed Project Bonds and any payment thereunder shall be
5 without any rights of recourse, subrogation, reimbursement,
6 contribution, or indemnity against IID, provided that IID shall
7 reimburse any guarantee payments received in any IID fiscal year
8 to the extent that transfer revenues in that fiscal year received under
9 the transfer agreement, or under any subsequent water transfer
10 agreements described in subdivision (d) exceed the amount required
11 for IID to pay the operation and maintenance costs, administrative
12 costs, and other noncapital costs related to the Transfer Agreement
13 Project Improvements plus debt service on the Infrastructure Bank
14 IID Guaranteed Project Bonds.

15 (g) The obligation of the bank and of the state to pay any
16 guarantee benefit for the Infrastructure Bank IID Guaranteed
17 Project Bonds shall be a limited obligation of the bank payable
18 solely from amounts deposited in the IID Infrastructure Guarantee
19 Trust Account pursuant to this section, or subsequently
20 appropriated for deposit in the IID Infrastructure Guarantee Trust
21 Account pursuant to subdivision (d) of Section 63064 of the
22 Government Code. Upon the occurrence of a triggering event and
23 satisfaction of the conditions precedent for funding described in
24 subdivision (c), the executive director of the bank shall take the
25 action as provided in Section 63064 of the Government Code. The
26 guarantee of the Infrastructure Bank IID Guaranteed Project Bonds
27 under this section shall not directly or indirectly or contingently
28 obligate the state or any of its political subdivisions to levy or to
29 pledge any form of taxation whatever for them or to make any
30 appropriation for their payment. The contract of guarantee to be
31 entered into by the bank shall contain on its face a statement to
32 the following effect: "Neither the faith and credit nor the taxing
33 power of the State of California is pledged to the payment of the
34 principal of, or interest on, this contract of guarantee."

35 (h) The bank shall enter into a guarantee agreement with IID
36 that is consistent with the terms of this section, as approved by the
37 board of directors of the bank. Article 3 (commencing with Section
38 ~~63041~~; 63040), Article 4 (commencing with Section 63042), and
39 Article 5 (commencing with Section 63043) of Chapter 2 of
40 Division 1 of Title 6.7 of the Government Code shall not apply to

1 the guarantee by the bank of the Infrastructure Bank IID
2 Guaranteed Project Bonds.

3 (i) Pursuant to Section 63066 of the Government Code, the bank
4 may charge and collect an insurance guarantee premium upon the
5 issuance of the guarantee of the Infrastructure Bank IID Guaranteed
6 Project Bonds, not to exceed 1 percent of the principal amount
7 thereof from the proceeds of the bonds, in an amount established
8 by the board of directors of the bank.

9 SEC. 70. The Employment Development Department until
10 September 3, 2013, shall report to the Joint Legislative Budget
11 Committee, no less than quarterly, on the progress and
12 effectiveness of implementation of the alternative base period
13 program prescribed in Sections 1275, 1277.1, 1277.5, and 1329.5
14 of the Unemployment Insurance Code.

15 SEC. 71. No reimbursement is required by this act pursuant to
16 Section 6 of Article XIII B of the California Constitution because
17 the only costs that may be incurred by a local agency or school
18 district will be incurred because this act creates a new crime or
19 infraction, eliminates a crime or infraction, or changes the penalty
20 for a crime or infraction, within the meaning of Section 17556 of
21 the Government Code, or changes the definition of a crime within
22 the meaning of Section 6 of Article XIII B of the California
23 Constitution.

24 SEC. 72. This act is an urgency statute necessary for the
25 immediate preservation of the public peace, health, or safety within
26 the meaning of Article IV of the Constitution and shall go into
27 immediate effect. The facts constituting the necessity are:

28 In order to implement the Budget Act of 2010 as soon as
29 possible, it is necessary for this act to take immediate effect.